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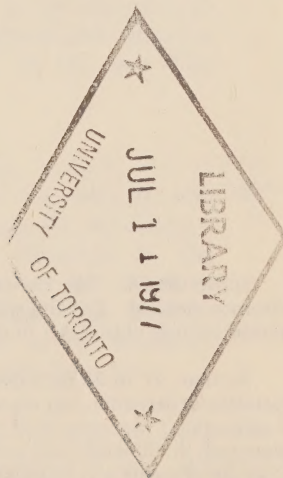
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1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

96
Government
Publications

**An Act to provide for the Transfer
of Services relating to Children**

THE HON. K. C. NORTON
Minister of Community and Social Services



EXPLANATORY NOTES

The purpose of the Bill is to effect the transfer of responsibility for the administration of certain services relating to children to the Minister of Community and Social Services.

SECTION 1.—Subsections 1 to 3. Presently, responsibility for administration of *The Children's Mental Health Centres Act* and *The Children's Mental Hospitals Act* is assigned to the Minister of Health. The Minister of Correctional Services administers *The Training Schools Act*. The Bill will transfer responsibility for administering each of these Acts to the Minister of Community and Social Services.

Subsection 4. *The Provincial Courts Act* is presently assigned to the Attorney General. The Bill will transfer the responsibility for administering certain sections of that Act to the Minister of Community and Social Services.

Sections 21 to 23 inclusive of the Act relate to the establishment and operation of detention and observation homes and diagnostic clinics. Clause g of subsection 1 of section 28 of the Act provides authority to make regulations governing the function and providing for the management of detention and observation homes and diagnostic clinics.

BILL 23

1977

An Act to provide for the Transfer of Services relating to Children

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) The administration of *The Children's Mental Health Centres Act* is assigned and transferred to the Minister of Community and Social Services and a reference in that Act and the regulations thereunder to the Minister or to the Director shall be deemed to be a reference to the Minister of Community and Social Services or to the Director of the Children's Mental Health Services Branch of the Children's Services Division of the Ministry of Community and Social Services, as the case may be.

Reference
to
Minister
R.S.O. 1970,
c. 68

(2) The administration of *The Children's Mental Hospitals Act* is assigned and transferred to the Minister of Community and Social Services and a reference in that Act and the regulations thereunder to the Minister or the Deputy Minister shall be deemed to be a reference to the Minister of Community and Social Services or the Associate Deputy Minister of Community and Social Services, as the case may be.

Idem
R.S.O. 1970,
c. 69

(3) The administration of *The Training Schools Act* is assigned and transferred to the Minister of Community and Social Services and a reference in that Act and the regulations thereunder to the Minister, the Deputy Minister or the Ministry shall be deemed to be a reference to the Minister of Community and Social Services, the Associate Deputy Minister of Community and Social Services or the Ministry of Community and Social Services, as the case may be.

Idem
R.S.O. 1970,
c. 467

(4) The administration of sections 21 to 23 and clause g of subsection 1 of section 28 of *The Provincial Courts Act* is assigned and transferred to the Minister of Community

Idem
R.S.O. 1970,
c. 369

and Social Services and a reference in those sections to the Minister shall be deemed to be a reference to the Minister of Community and Social Services.

Idem

R.S.O. 1970,
cc. 69, 270

(5) For the purposes of any designation under section 7 of *The Children's Mental Hospitals Act*, a reference in *The Mental Hospitals Act* to Minister or Deputy Minister shall be deemed to be a reference to the Minister of Community and Social Services or the Associate Deputy Minister of Community and Social Services, as the case may be.

Idem

1976, c. 85

(6) The administration of subsection 1 of section 17 of *The Unified Family Court Act, 1976* is assigned and transferred to the Minister of Community and Social Services.

Commence-
ment

2. This Act comes into force on the 1st day of July, 1977.

Short title

3. The short title of this Act is *The Children's Services Act, 1977*.

Subsection 5. By virtue of the regulations under *The Children's Mental Hospitals Act*, sections 7, 8, 9, 10 and 11 of *The Mental Hospitals Act* apply to Children's Mental Hospitals. The Bill will transfer the responsibility for these sections of *The Mental Hospitals Act* when they apply to Children's Mental Hospitals to the Minister of Community and Social Services.

Section 7 of *The Children's Mental Hospitals Act* presently reads as follows:

7. *The Lieutenant Governor in Council may designate any provision of The Public Hospitals Act or of the regulations thereunder or any provision of The Mental Hospitals Act or of the regulations thereunder as being applicable to any hospital under this Act.*

Subsection 6. *The Unified Family Court Act* is presently assigned to the Attorney General. The Bill will transfer the responsibility for administering subsection 1 of section 17 of that Act to the Minister of Community and Social Services.

Subsection 1 of section 17 relates to the establishment and operation of detention and observation homes.

An Act to provide for the Transfer of
Services relating to Children

1st Reading

June 27th, 1977

2nd Reading

3rd Reading

THE HON. K. C. NORTON
Minister of Community and Social
Services

(Government Bill)

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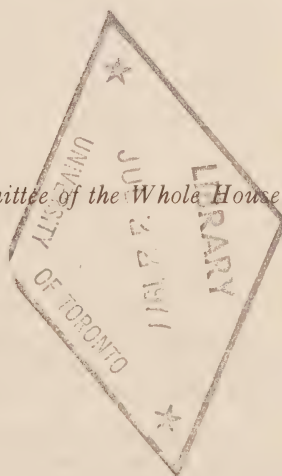
1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

GOVERNMENT
Publications

**An Act to provide for the Transfer
of Services relating to Children**

THE HON. K. C. NORTON
Minister of Community and Social Services

(Reprinted as amended by the Committee of the Whole House)



EXPLANATORY NOTES

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SECTION 1.—Subsections 1 to 3. Presently, responsibility for administration of *The Children's Mental Health Centres Act* and *The Children's Mental Hospitals Act* is assigned to the Minister of Health. The Minister of Correctional Services administers *The Training Schools Act*. The Bill will transfer responsibility for administering each of these Acts to the Minister of Community and Social Services.

Subsection 4. *The Provincial Courts Act* is presently assigned to the Attorney General. The Bill will transfer the responsibility for administering certain sections of that Act to the Minister of Community and Social Services.

Sections 21 to 23 inclusive of the Act relate to the establishment and operation of detention and observation homes and diagnostic clinics. Clause *g* of subsection 1 of section 28 of the Act provides authority to make regulations governing the function and providing for the management of detention and observation homes and diagnostic clinics.

BILL 23

1977

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Reference
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Minister
R.S.O. 1970,
c. 68

(2) The administration of *The Children's Mental Hospitals Act* is assigned and transferred to the Minister of Community and Social Services and a reference in that Act and the regulations thereunder to the Minister or the Deputy Minister shall be deemed to be a reference to the Minister of Community and Social Services or the Associate Deputy Minister of Community and Social Services, as the case may be.

Idem
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Idem

R.S.O. 1970,
cc. 69, 270

(5) For the purposes of any designation under section 7 of *The Children's Mental Hospitals Act*, a reference in *The Mental Hospitals Act* to Minister or Deputy Minister shall be deemed to be a reference to the Minister of Community and Social Services or the Associate Deputy Minister of Community and Social Services, as the case may be.

Idem

1976, c. 85

(6) The administration of subsection 1 of section 17 of *The Unified Family Court Act, 1976* is assigned and transferred to the Minister of Community and Social Services.

Commence-
ment

2. This Act comes into force on the 1st day of July, 1977.

Short title

3. The short title of this Act is *The Children's Services Transfer Act, 1977*.

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7. *The Lieutenant Governor in Council may designate any provision of The Public Hospitals Act or of the regulations thereunder or any provision of The Mental Hospitals Act or of the regulations thereunder as being applicable to any hospital under this Act.*

Subsection 6. *The Unified Family Court Act* is presently assigned to the Attorney General. The Bill will transfer the responsibility for administering subsection 1 of section 17 of that Act to the Minister of Community and Social Services.

Subsection 1 of section 17 relates to the establishment and operation of detention and observation homes.

An Act to provide for the Transfer of
Services, relating to Children

1st Reading

June 27th, 1977

2nd Reading

July 11th, 1977

3rd Reading

THE HON. K. C. NORTON
Minister of Community and Social
Services

*(Reprinted as amended by the
Committee of the Whole House)*

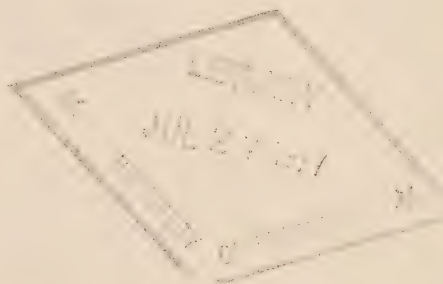
BILL 23

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

**An Act to provide for the Transfer
of Services relating to Children**

THE HON. K. C. NORTON
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BILL 23

1977

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Reference
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Minister
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Idem
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(3) The administration of *The Training Schools Act* is assigned and transferred to the Minister of Community and Social Services and a reference in that Act and the regulations thereunder to the Minister, the Deputy Minister or the Ministry shall be deemed to be a reference to the Minister of Community and Social Services, the Associate Deputy Minister of Community and Social Services or the Ministry of Community and Social Services, as the case may be.

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(4) The administration of sections 21 to 23 and clause g of subsection 1 of section 28 of *The Provincial Courts Act* is assigned and transferred to the Minister of Community

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(5) For the purposes of any designation under section 7 of *The Children's Mental Hospitals Act*, a reference in *The Mental Hospitals Act* to Minister or Deputy Minister shall be deemed to be a reference to the Minister of Community and Social Services or the Associate Deputy Minister of Community and Social Services, as the case may be.

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An Act to provide for the Transfer of
Services relating to Children

1st Reading

June 27th, 1977

2nd Reading

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3rd Reading

July 11th, 1977

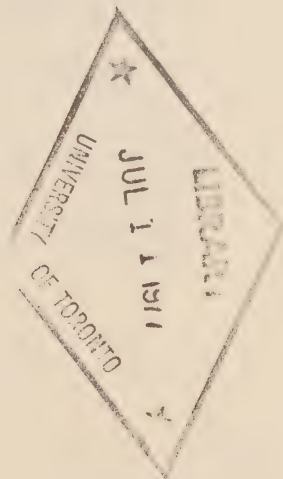
THE HON. K. C. NORTON
Minister of Community and Social
Services

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Personal Property Security Act

THE HON. S. B. HANDLEMAN
Minister of Consumer and Commercial Relations



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTES

SECTION 1. Section 44 of the Act presently reads as follows:

44.—(1) *Upon the request of any person and upon payment of the prescribed fee the registrar shall,*

- (a) issue a certificate stating whether there is registered at the time mentioned in the certificate a financing statement or financing change statement the registration of which is still effective in which the person named in the certificate is shown as a debtor and, if there is, the registration number of it, and any other information recorded in the central office of the registration system; or*
- (b) furnish a certified copy of a registered financing statement or a registered financing change statement.*
- (2) A certificate issued under clause a of subsection 1 is prima facie evidence of the contents thereof.*
- (3) A certified copy furnished under clause c of subsection 1 is prima facie evidence of the contents of the document so certified.*

Subsection 1 of section 44 of the Act, as re-enacted, breaks down the search into three possible indices, namely, the individual debtor index, the business debtor index and the motor vehicle serial number index.

Subsection 3 of section 44 of the Act is amended to correct an internal reference.

BILL 24

1977

An Act to amend The Personal Property Security Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Subsection 1 of section 44 of *The Personal Property Security Act*, being chapter 344 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1973, chapter 102, section 8, is repealed and the following substituted therefor: s. 44 (1),
re-enacted

(1) Upon the request of any person for a search of the individual debtor index, business debtor index or motor vehicle serial number index and upon payment of the prescribed fee, the registrar shall, Certificate
of
registrar

- (a) issue a certificate stating whether there is registered at the time mentioned in the certificate a financing statement or financing change statement the registration of which is still effective in which the person named or the motor vehicle serial number shown in the certificate is shown in the designated place on the financing statement or financing change statement as a debtor or as a serial number, as the case may be, and, if there is, the registration number of it and any other related information recorded in the central file of the registration system; or
- (b) furnish a certified copy of a registered financing statement or a registered financing change statement.

- (2) Subsection 3 of the said section 44 is amended by striking out "c" in the first line and inserting in lieu thereof "b". s. 44 (3),
amended

Commence-
ment

2. This Act shall be deemed to have come into force on the 1st day of April, 1977.

Short title

3. The short title of this Act is *The Personal Property Security Amendment Act, 1977*.

An Act to amend
The Personal Property Security Act

1st Reading

June 27th, 1977

2nd Reading

3rd Reading

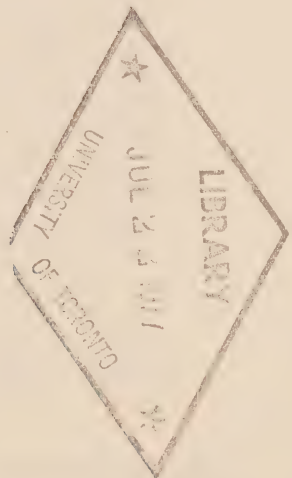
THE HON. S. B. HANDLEMAN
Minister of Consumer and
Commercial Relations

(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend The Personal Property Security Act

THE HON. S. B. HANDLEMAN
Minister of Consumer and Commercial Relations



BILL 24

1977

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- 1.—(1) Subsection 1 of section 44 of *The Personal Property Security Act*, being chapter 344 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1973, chapter 102, section 8, is repealed and the following substituted therefor: s. 44 (1),
re-enacted

(1) Upon the request of any person for a search of the individual debtor index, business debtor index or motor vehicle serial number index and upon payment of the prescribed fee, the registrar shall, Certificate
of
registrar

- (a) issue a certificate stating whether there is registered at the time mentioned in the certificate a financing statement or financing change statement the registration of which is still effective in which the person named or the motor vehicle serial number shown in the certificate is shown in the designated place on the financing statement or financing change statement as a debtor or as a serial number, as the case may be, and, if there is, the registration number of it and any other related information recorded in the central file of the registration system; or
- (b) furnish a certified copy of a registered financing statement or a registered financing change statement.

- (2) Subsection 3 of the said section 44 is amended by striking out “c” in the first line and inserting in lieu thereof “b”. s. 44 (3),
amended

Commence-
ment

2. This Act shall be deemed to have come into force on the 1st day of April, 1977.

Short title

3. The short title of this Act is *The Personal Property Security Amendment Act, 1977*.

An Act to amend
The Personal Property Security Act

1st Reading

June 27th, 1977

2nd Reading

July 4th, 1977

3rd Reading

July 4th, 1977

THE HON. S. B. HANDLEMAN
Minister of Consumer and
Commercial Relations

BILL 25

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act respecting Ryerson Polytechnical Institute

THE HON. H. C. PARROTT
Minister of Colleges and Universities



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 25

1977

An Act respecting Ryerson Polytechnical Institute

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

INTERPRETATION

1.—(1) In this Act,

Interpre-
tation

- (a) "Academic Council" means the Academic Council of Ryerson Polytechnical Institute;
- (b) "administrative staff" means the full-time employees of the Board who are not members of the teaching faculty;
- (c) "alumni" means the persons who have received degrees, diplomas or certificates from the Institute and are no longer registered as students;
- (d) "Board" means The Board of Governors of Ryerson Polytechnical Institute;
- (e) "Institute" means Ryerson Polytechnical Institute;
- (f) "Minister" means the Minister of Colleges and Universities;
- (g) "President" means the President of Ryerson Polytechnical Institute;
- (h) "property" means real and personal property;
- (i) "student" means a person who is registered as such in a program or course of study at the Institute that leads to a degree, diploma or certificate of the Institute;

(j) "teaching faculty" means the full-time employees of the Board whose prime duty is the performance of the teaching function of the Institute, including those holding the offices of Dean, Chairman or Assistant Chairman of a department, and Academic Director;

(k) "year" means the membership year of the Board or the Academic Council, as the case may be, and shall be any twelve-month period established by the Board or the Academic Council, respectively, from time to time. 1962-63, c. 128, s. 1; 1971, c. 65, s. 1, *amended*.

Conflict

R.S.O. 1970,
c. 89

(2) In the event of conflict between any provision of this Act and any provision of *The Corporations Act*, the provision of this Act prevails. *New*.

GENERAL

Institute
continued

2. Ryerson Polytechnical Institute is continued, subject to the provisions of this Act. 1962-63, c. 128, s. 2, *amended*.

Objects

3. The objects and purposes of the Institute are to provide,

- (a) programs and courses of study in any branch of arts, applied arts, business, community services and technology; and
- (b) programs and courses of study sponsored jointly with the Government of Ontario or any ministry or board, agency or commission thereof, with the Government of Canada or any department or board, agency or commission thereof, with industry or commerce, or with other educational institutions. 1962-63, c. 128, s. 3, *amended*.

BOARD OF GOVERNORS

Corporation
continued

4.—(1) The Board of Governors of Ryerson Polytechnical Institute is continued as a body corporate and shall be composed of,

- (a) the President, who shall be an *ex officio* member;
- (b) nine members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years;

- (c) three members, none of whom is an employee of the Board, elected by the alumni from among themselves for a term of three years;
- (d) three members elected by the teaching faculty from among themselves for a term of two years;
- (e) two members elected by the administrative staff from among themselves for a term of two years;
- (f) three members elected by the students from among themselves for a term of one year; and
- (g) two members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years and thereafter by the Board for a term of three years. 1962-63, c. 128, s. 4 (1-3); 1971, c. 65, s. 2, *amended*.

(2) The Board shall by by-law determine the manner and procedure of election of its members and shall conduct such elections and determine any dispute as to eligibility to hold office or to vote, and such elections shall be by secret ballot. Manner
of
election

(3) No person shall serve as a member of the Board unless he is a Canadian citizen. *New*. Canadian
citizen-
ship

(4) Subject to subsection 5, a member of the Board is eligible for reappointment or re-election, as the case may be, except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Board. 1962-63, c. 128, s. 4 (4), *amended*. Eligibil-
ity for
reappoint-
ment or
re-election

(5) The limit of two consecutive terms referred to in subsection 4 does not include, Idem

- (a) service on the Board prior to the day this section comes into force;
- (b) service on the Board for the balance of an unexpired term for a person who becomes a member of the Board under subsection 8; or
- (c) service on the Board for a term reduced under subsection 1 or 2 of section 17. *New*.

Membership
vacated

(6) A member of the Board ceases to hold office where he ceases to be eligible pursuant to,

(a) subsection 3; or

(b) clauses *b* to *g* of subsection 1 under which he was appointed or elected, as the case may be, except that a student member who graduates during his term of office may serve for the remainder of such term. 1962-63, c. 128, s. 4 (5), *amended*.

Absence
from
meetings

(7) Where, within any year, a member of the Board, not having been granted leave of absence by the Board, attends less than 50 per cent of the regular meetings of such body, the Board may by resolution declare his membership vacant. 1962-63, c. 128, s. 4 (6), *amended*.

Filling
vacancies

(8) Where a vacancy on the Board occurs before the term of office for which a person was appointed or elected has expired,

(a) if the vacancy is that of an appointed member, the vacancy may be filled by the same authority which appointed the person whose membership is vacant; and

(b) if the vacancy is that of an elected member, the Board in its sole discretion shall determine if the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing,

and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant. 1962-63, c. 128, s. 4 (8), *amended*.

Quorum

(9) A quorum of the Board shall consist of ten members or such greater number as the Board by by-law may determine, and at least one-half of the quorum shall consist of members of the Board appointed or elected under clauses *b*, *c* and *g* of subsection 1. 1962-63, c. 128, s. 4 (10), *amended*.

Chairman
and
Vice-
Chairman

(10) The Board shall elect a Chairman and a Vice-Chairman from among the members appointed or elected under clauses *b*, *c* and *g* of subsection 1 and in the event of the absence or inability to act of the Chairman or of there being a vacancy in that office, the Vice-Chairman shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (11), *amended*.

(11) In the absence or inability to act of the Chairman and Vice-Chairman, the Board may appoint one of its members appointed or elected under clauses *b*, *c* and *g* of subsection 1 to act as Chairman for the time being and the member so appointed shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (12, 13), *amended*. Absence

(12) The term of office of the Chairman and of the Vice-Chairman shall be as determined by the Board. *New*. Term
of
office

5.—(1) The Board may establish committees and appoint persons thereto and, subject to subsection 5, confer upon any such committee authority to act for the Board with respect to any matter or class of matters. 1962-63, c. 128, s. 5 (1), *amended*. Committees

(2) A majority of the members of a committee shall be members of the Board. 1962-63, c. 128, s. 5 (2). Majority
to be
board
members

(3) The President shall be an *ex officio* member of every committee established under subsection 1 unless excluded therefrom by a by-law or a resolution of the Board. 1971, c. 65, s. 3, *amended*. President
ex officio
member

(4) The President, if not excluded under subsection 3 as a member of a committee, may nominate an officer of the Board to represent him on a committee established under subsection 1, and such nominee shall act in the place and stead of the President on such committee. *New*. Nominee

(5) No decision of a committee that includes in its membership persons who are not members of the Board is effective until approved and ratified by the Board. 1962-63, c. 128, s. 5 (4). Decision
of
committee

(6) For the purposes of subsections 2 and 5, an officer of the Board nominated by the President under subsection 4 to represent him on a committee shall be deemed to be a member of the Board. *New*. Nominee
deemed
member
of the
Board

6.—(1) The government, conduct, management and control of the Institute and of its property, revenues, expenditures, business and affairs, except with respect to such matters as are assigned by this Act to the Academic Council, are vested in the Board, and the Board has all powers necessary or convenient to perform its duties and achieve the objects and purposes of the Institute including, without limiting the generality of the foregoing, the power, Powers of
the Board

- (a) to enact by-laws for the conduct of its affairs;
- (b) to appoint the President and define his duties and responsibilities;
- (c) to appoint, classify, promote, suspend, transfer, reclassify or remove the members of the teaching faculty and administrative staff and such other employees as it considers necessary or advisable for the proper conduct of the affairs of the Institute, but no member of the teaching faculty or administrative staff except the President shall be appointed, classified, promoted, suspended, transferred, reclassified or removed unless recommended by the President or such other officer or employee of the Board delegated under subsection 4;
- (d) to fix the number, duties and salaries and other remuneration of the officers and employees of the Board;
- (e) to delegate such of its powers under clauses *c* and *d* as it considers proper to the President or other officer or employee of the Board as may be recommended by the President;
- (f) to provide for the retirement and superannuation of persons referred to in clauses *b* and *c*;
- (g) to provide for payments by way of gratuities, retirement allowances, sick leave allowances, superannuation allowances, pensions, annuities or life insurance, or any combination thereof, payable to any representative of or for the benefit of the persons mentioned in clauses *b* and *c*, or any class or classes thereof, out of a fund or funds comprising contributions made by such persons, or any class or classes thereof, or by the Board, or both, or otherwise;
- (h) to expend such sums as may be required for the purposes of funds that are established for the payment of gratuities, retirement allowances, pensions, life insurance, or health insurance, for the benefit of the persons mentioned in clauses *b* and *c*;
- (i) to expend such sums as the Board considers necessary for the support and maintenance of the Institute and for the betterment of existing buildings and the erection of such new buildings as the

Board may consider necessary for the use and purposes of the Institute and for the furnishings and equipment of such existing and newly-erected buildings;

- (j) to expend such sums as the Board considers necessary for the erection, equipment, furnishings and maintenance of residences and dining halls for the use of the students;
- (k) to acquire, hold and maintain such real property as the Board considers necessary for the use of the students of the Institute for athletic purposes and to erect and maintain such buildings and structures thereon as it considers necessary;
- (l) to provide such health services, health examinations and physical training for the students of the Institute as the Board considers necessary;
- (m) to appoint by resolution a member or members of the Board, or any other person or persons, to execute on behalf of the Board either documents and other instruments in writing generally or specific documents and other instruments in writing and to affix the corporate seal of the Board thereto;
- (n) to borrow money for its purposes upon its credit, and to give such security against the assets of the Institute by way of mortgage, debenture or otherwise, as it determines;
- (o) to invest all money that comes into its hands that is not required to be expended for any purpose to which it lawfully may be applied, subject always to any express limitations or restrictions on investment powers imposed by the terms of the instruments creating any trust as to the same, in such manner as it considers proper and, except where a trust instrument otherwise directs, combine trust moneys belonging to various trusts in its care into a common trust fund;
- (p) after consultation with the Minister,
 - (i) to co-operate with other educational institutions on such terms and for such periods of time as the Board may determine,
 - (ii) to establish, change and terminate such degree, diploma or certificate programs as

the Academic Council recommends and the Board considers appropriate; and

- (q) to establish and collect fees and charges for tuition and for services of any kind offered by the Institute and collect fees and charges on behalf of any entity, organization or element of the Institute. 1962-63, c. 128, s. 7; 1971, c. 65, s. 4, *amended*.

Recommendations
by
President
as to staff

- (2) The President shall make recommendations to the Board as to the appointment, classification, promotion, suspension, transfer, reclassification and removal of the members of the teaching faculty and administrative staff.

Recommendation

- (3) The President may recommend an officer or employee of the Board for the purpose of a delegation by the Board under clause *e* of subsection 1 of certain of its powers.

Delegation
by
President

- (4) The President, subject to the approval of the Board, may delegate his duties under subsection 2 to any other officer or employee of the Board. *New*.

Audit of
accounts
R.S.O. 1970,
c. 373

7. The Board shall appoint one or more public accountants licensed under *The Public Accountancy Act* to audit the accounts and transactions of the Board at least annually. 1962-63, c. 128, s. 8, *amended*.

Annual
report
to
Minister

- 8.—(1) The Board shall make a financial report annually to the Minister in such form and containing such information as the Minister may require. 1962-63, c. 128, s. 9 (1), *amended*.

Tabling

- (2) The Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session. 1962-63, c. 128, s. 9 (2).

Annual
public
report

- (3) The Board shall make available to the public an annual report including an annual financial report in such form and manner as the Board may determine. *New*.

ACADEMIC COUNCIL

Academic
Council

- 9.—(1) There shall be an Academic Council of the Institute composed of,

- (a) the President, the Vice-Presidents and the Deans, who shall be *ex officio* members; and

(b) such other members, not exceeding fifty in number, composed of persons elected by secret ballot,

(i) by the teaching faculty from among themselves,

(ii) by the students from among themselves, and

(iii) by the alumni from among themselves.

(2) The Academic Council shall by by-law determine, By-laws

(a) the number of members to be elected to the Academic Council by the teaching faculty, the students and the alumni, respectively;

(b) constituencies for each of the groups referred to in clause *b* of subsection 1 and assign persons or classes of persons thereto;

(c) the term of office of one, two or three years, as the case may be, for the members elected by each of the groups referred to in clause *b* of subsection 1; and

(d) the procedures to be followed in the election of members of the Academic Council.

(3) The Academic Council shall conduct the election of its members and shall determine any dispute as to the eligibility of a candidate at such election or of a person to vote thereat. Elections

(4) Where for any reason a by-law of the Academic Council has not been enacted under clause *c* of subsection 2, the term of office of an elected member of the Academic Council is one year. Term of office

(5) Subject to subsection 6, a member of the Academic Council is eligible for re-election except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Academic Council. Eligibility for re-election

(6) The limit of two consecutive terms referred to in subsection 5 does not include, Idem

(a) service on the Academic Council for the balance of an unexpired term for a person who becomes a

member of the Academic Council under subsection 8; or

- (b) service on the Academic Council for a term of office established by the Board under subsection 3 of section 17.

Membership
vacated

(7) An elected member of the Academic Council ceases to hold office where he ceases to be eligible pursuant to clause *b* of subsection 1 under which he was elected, except that a student member who graduates during his term of office may serve for the remainder of the current year.

Filling
vacancy

(8) Where a vacancy occurs for any reason among the elected members of the Academic Council before the term for which a person was elected has expired, the Academic Council in its sole discretion shall determine whether the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing, and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant.

Chairman
and Vice-
Chairman

(9) The President shall be the Chairman of the Academic Council and a Vice-Chairman shall be elected from among its members in such manner as the Academic Council may determine. *New.*

Powers of
Academic
Council

10. The Academic Council has, subject to the approval of the Board with respect to the expenditure of funds, the power to establish the educational policy of the Institute and without limiting the generality of the foregoing has the power,

- (a) to enact by-laws for the conduct of its affairs;
- (b) to enact by-laws for the purposes of subsection 2 of section 9 in order to conduct the election of its members;
- (c) to make recommendations to the Board with respect to the establishment, change or termination of programs and courses of study, schools, divisions and departments;
- (d) to determine the curricula of all programs and courses of study, the standards of admission to the Institute and continued registration therein, and the qualifications for degrees, diplomas and certificates of the Institute;

- (e) to conduct examinations, appoint examiners and decide all matters relating thereto;
- (f) to award fellowships, scholarships, bursaries, medals, prizes and other marks of academic achievement;
- (g) to award diplomas and certificates;
- (h) to grant bachelor of applied arts, bachelor of technology and bachelor of business management degrees; and
- (i) to create councils and committees to exercise its powers. *New.*

BOARD OF GOVERNORS AND ACADEMIC COUNCIL

11.—(1) Subject to subsections 2 and 3, a meeting of the Board or of the Academic Council shall be open to the public and prior notice of the meeting shall be given to the members of the Board or the Academic Council, as the case may be, and to the public in such manner as the Board and the Academic Council by by-law shall respectively determine, and no person shall be excluded from a meeting except for improper conduct as determined by the Board or the Academic Council, as the case may be. Meetings open to public

(2) Where matters confidential to the Institute are to be considered, the part of the meeting concerning such matters may be held *in camera*. Proviso

(3) Where a matter of a personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be held *in camera* unless such individual requests that that part of the meeting be open to the public. *New.* Idem

12. Every student is eligible for election to the Board or the Academic Council whether or not he has attained the age of eighteen years. *New.* Age of student members

13.—(1) The by-laws of the Board and of the Academic Council shall be open to examination by the public during normal business hours. Examination of by-laws

(2) The Board and the Academic Council shall publish their by-laws from time to time in such manner as they may, respectively, consider proper. *New.* Publication of by-laws

PROPERTY

Property
vested in
Board

14. All property heretofore or hereafter, by statute or otherwise, granted, conveyed, devised or bequeathed to the Board, the Institute or to any person in trust for or for the benefit of the Board, the Institute or any of its divisions or departments, subject to any trust affecting the property, is vested in the Board. 1962-63, c. 128, s. 6; 1966, c. 139, s. 1, *amended*.

Power to
deal with
property

15. The Board has power to purchase or otherwise acquire, take or receive, by deed, gift, bequest or devise, and to hold and enjoy without licence in mortmain and without limitation as to the period of holding any estate or property whatsoever, whether real or personal, and to sell, grant, convey, mortgage, lease or otherwise dispose of the same or any part thereof from time to time and as occasion may require, and to acquire other estate or property in addition thereto or in place thereof. 1962-63, c. 128, s. 7 (*m*), *amended*.

Expropria-
tion
R.S.O. 1970,
c. 154

16.—(1) Subject to the provisions of *The Expropriations Act*, the Board may, without the consent of the owner or any person interested therein, other than a municipality or a district, regional or metropolitan municipality, enter upon, take, use and expropriate all such land as defined in section 1 of *The Expropriations Act* as it considers necessary for the purposes of the Institute. 1962-63, c. 128, s. 7 (*n*), *amended*.

Land
vested in
Board not
liable to
expropria-
tion

(2) Real property vested in the Board and used by the Institute for its purposes shall not be liable to be entered upon, used or taken by any corporation, except a municipal corporation, or by any person possessing the right of taking real property compulsorily for any purpose and no power to expropriate real property hereafter conferred shall extend to such real property unless in the Act conferring the power it is made in express terms to apply thereto. *New*.

MISCELLANEOUS

Election
of Board

17.—(1) For the purpose of the election of members to the Board who are to take office on the 1st day of July, 1978, the Board in office when this section comes into force shall, notwithstanding any other provision of this Act, conduct the election and may determine that one or more of the members so elected shall serve for a period of less than three years.

(2) Notwithstanding clauses *b* and *g* of subsection 1 of section 4, the Lieutenant Governor in Council may determine that one or more of the members appointed by it to the Board to take office on the 1st day of July, 1978, shall serve for a period of less than three years. Term of office

(3) For the purpose of the first election of members to the Academic Council who are to take office on the 1st day of July, 1978, the Board in office when this section comes into force shall determine, notwithstanding any other provision of this Act, the composition and the number, not exceeding fifty, of the members to be elected and shall determine the term or terms of office of one, two or three years of such members and the method of their election and shall conduct such elections. First election of Academic Council

(4) The Board in office when this section comes into force is hereby authorized and empowered to arrange for and call the first meeting of the Board and of the Academic Council, respectively, to be held on or after the 1st day of July, 1978, and the members of the said Board and Academic Council shall be given reasonable notice of such meetings. First meeting of Board and Academic Council
New.

18. The following are repealed:

Repeals

1. *The Ryerson Polytechnical Institute Act, 1962-63*, being chapter 128.
2. *The Ryerson Polytechnical Institute Amendment Act, 1966*, being chapter 139.
3. *The Ryerson Polytechnical Institute Amendment Act, 1971*, being chapter 65.

19.—(1) This Act, except sections 1 to 16 and 18, comes into force on the day it receives Royal Assent. Commencement

(2) Sections 1 to 16 and 18 come into force on the 1st day of July, 1978. Idem

20. The short title of this Act is *The Ryerson Polytechnical Institute Act, 1977*. Short title

An Act respecting
Ryerson Polytechnical Institute

1st Reading

June 27th, 1977

2nd Reading

November 8th, 1977

3rd Reading

November 8th, 1977

THE HON. H. C. PARROTT
Minister of Colleges and
Universities

B 56

BILL 25

Government Bill

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act respecting Ryerson Polytechnical Institute

THE HON. H. C. PARROTT
Minister of Colleges and Universities

(Reprinted as amended by the Committee of the Whole House)

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTE

The present corporation known as the Board of Governors of Ryerson Polytechnical Institute is continued with all its former powers except those which have been assigned by this Act to the newly formed Academic Council.

Some features of the Bill are as follows:

1. The number of members of the Board of Governors has been increased from thirteen to twenty-three members, nine of whom are appointed by the Lieutenant Governor in Council and two by the Board.

Eleven members of the Board are elected from among the teaching faculty, the administrative staff, students and the alumni. The President is a member *ex officio*. (Section 4)

2. No person may serve as a member of the Board of Governors unless he is a Canadian citizen. (Section 4 (3))
3. The quorum of the Board of Governors has been increased from five to ten members or such greater number as the Board by by-law may determine and at least one-half of the quorum shall consist of members of the Board appointed by the Lieutenant Governor in Council and the Board or elected by alumni. (Section 4 (9))
4. An Academic Council is established that is composed of the President, Vice-Presidents and Deans who are *ex officio* members, and such other members, not exceeding fifty in number, elected from among the teaching faculty, students and alumni. (Section 9)
5. The Academic Council has the power to establish the educational policy of the Institute including the awarding of diplomas and certificates and the granting of bachelor of applied arts, bachelor of technology and bachelor of business management degrees. (Section 10)
6. Meetings of the Board of Governors and of the Academic Council are open to the public except where a matter of a personal nature concerning an individual or a confidential matter of the Institute may be disclosed. (Section 11)
7. The by-laws of the Board of Governors and the Academic Council are open to examination by the public. (Section 13)
8. The Board of Governors is empowered to conduct the election of its members and members of the Academic Council who are to take office on the 1st day of November, 1977, and the Board may determine the term or terms of office of its members so elected and the term or terms of office of the members of the Academic Council so elected.

BILL 25

1977

An Act respecting Ryerson Polytechnical Institute

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

INTERPRETATION

1.—(1) In this Act,

Interpre-
tation

- (a) "Academic Council" means the Academic Council of Ryerson Polytechnical Institute;
- (b) "administrative staff" means the full-time employees of the Board who are not members of the teaching faculty;
- (c) "alumni" means the persons who have received degrees, diplomas or certificates from the Institute and are no longer registered as students;
- (d) "Board" means The Board of Governors of Ryerson Polytechnical Institute;
- (e) "Institute" means Ryerson Polytechnical Institute;
- (f) "Minister" means the Minister of Colleges and Universities;
- (g) "President" means the President of Ryerson Polytechnical Institute;
- (h) "property" means real and personal property;
- (i) "student" means a person who is registered as such in a program or course of study at the Institute that leads to a degree, diploma or certificate of the Institute;

(j) "teaching faculty" means the full-time employees of the Board whose prime duty is the performance of the teaching function of the Institute, including those holding the offices of Dean, Chairman or Assistant Chairman of a department, and Academic Director;

(k) "year" means the membership year of the Board or the Academic Council, as the case may be, and shall be any twelve-month period established by the Board or the Academic Council, respectively, from time to time. 1962-63, c. 128, s. 1; 1971, c. 65, s. 1, *amended*.

Conflict

R.S.O. 1970,
c. 89

(2) In the event of conflict between any provision of this Act and any provision of *The Corporations Act*, the provision of this Act prevails. *New*.

GENERAL

Institute
continued

2. Ryerson Polytechnical Institute is continued, subject to the provisions of this Act. 1962-63, c. 128, s. 2, *amended*.

Objects

3. The objects and purposes of the Institute are to provide,

(a) programs and courses of study in any branch of arts, applied arts, business, community services and technology; and

(b) programs and courses of study sponsored jointly with the Government of Ontario or any ministry or board, agency or commission thereof, with the Government of Canada or any department or board, agency or commission thereof, with industry or commerce, or with other educational institutions. 1962-63, c. 128, s. 3, *amended*.

BOARD OF GOVERNORS

Corporation
continued

4.—(1) The Board of Governors of Ryerson Polytechnical Institute is continued as a body corporate and shall be composed of,

(a) the President, who shall be an *ex officio* member;

(b) nine members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years;

- (c) three members, none of whom is an employee of the Board, elected by the alumni from among themselves for a term of three years;
- (d) three members elected by the teaching faculty from among themselves for a term of two years;
- (e) two members elected by the administrative staff from among themselves for a term of two years;
- (f) three members elected by the students from among themselves for a term of one year; and
- (g) two members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years and thereafter by the Board for a term of three years. 1962-63, c. 128, s. 4 (1-3); 1971, c. 65, s. 2, *amended*.

(2) The Board shall by by-law determine the manner and procedure of election of its members and shall conduct such elections and determine any dispute as to eligibility to hold office or to vote, and such elections shall be by secret ballot. Manner of election

(3) No person shall serve as a member of the Board unless he is a Canadian citizen. *New*. Canadian citizenship

(4) Subject to subsection 5, a member of the Board is eligible for reappointment or re-election, as the case may be, except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Board. 1962-63, c. 128, s. 4 (4), *amended*. Eligibility for reappointment or re-election

(5) The limit of two consecutive terms referred to in subsection 4 does not include, Idem

- (a) service on the Board prior to the day this section comes into force;
- (b) service on the Board for the balance of an unexpired term for a person who becomes a member of the Board under subsection 8; or
- (c) service on the Board for a term reduced under subsection 1 or 2 of section 17. *New*.

Membership
vacated

(6) A member of the Board ceases to hold office where he ceases to be eligible pursuant to,

(a) subsection 3; or

(b) clauses *b* to *g* of subsection 1 under which he was appointed or elected, as the case may be, except that a student member who graduates during his term of office may serve for the remainder of such term. 1962-63, c. 128, s. 4 (5), *amended*.

Absence
from
meetings

(7) Where, within any year, a member of the Board, not having been granted leave of absence by the Board, attends less than 50 per cent of the regular meetings of such body, the Board may by resolution declare his membership vacant. 1962-63, c. 128, s. 4 (6), *amended*.

Filling
vacancies

(8) Where a vacancy on the Board occurs before the term of office for which a person was appointed or elected has expired,

(a) if the vacancy is that of an appointed member, the vacancy may be filled by the same authority which appointed the person whose membership is vacant; and

(b) if the vacancy is that of an elected member, the Board in its sole discretion shall determine if the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing,

and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant. 1962-63, c. 128, s. 4 (8), *amended*.

Quorum

(9) A quorum of the Board shall consist of ten members or such greater number as the Board by by-law may determine, and at least one-half of the quorum shall consist of members of the Board appointed or elected under clauses *b*, *c* and *g* of subsection 1. 1962-63, c. 128, s. 4 (10), *amended*.

Chairman
and
Vice-
Chairman

(10) The Board shall elect a Chairman and a Vice-Chairman from among the members appointed or elected under clauses *b*, *c* and *g* of subsection 1 and in the event of the absence or inability to act of the Chairman or of there being a vacancy in that office, the Vice-Chairman shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (11), *amended*.

(11) In the absence or inability to act of the Chairman and Vice-Chairman, the Board may appoint one of its members appointed or elected under clauses *b*, *c* and *g* of subsection 1 to act as Chairman for the time being and the member so appointed shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (12, 13), *amended*. Absence

(12) The term of office of the Chairman and of the Vice-Chairman shall be as determined by the Board. *New*. Term of office

5.—(1) The Board may establish committees and appoint persons thereto and, subject to subsection 5, confer upon any such committee authority to act for the Board with respect to any matter or class of matters. 1962-63, c. 128, s. 5 (1), *amended*. Committees

(2) A majority of the members of a committee shall be members of the Board. 1962-63, c. 128, s. 5 (2). Majority to be board members

(3) The President shall be an *ex officio* member of every committee established under subsection 1 unless excluded therefrom by a by-law or a resolution of the Board. 1971, c. 65, s. 3, *amended*. President *ex officio* member

(4) The President, if not excluded under subsection 3 as a member of a committee, may nominate an officer of the Board to represent him on a committee established under subsection 1, and such nominee shall act in the place and stead of the President on such committee. *New*. Nominee

(5) No decision of a committee that includes in its membership persons who are not members of the Board is effective until approved and ratified by the Board. 1962-63, c. 128, s. 5 (4). Decision of committee

(6) For the purposes of subsections 2 and 5, an officer of the Board nominated by the President under subsection 4 to represent him on a committee shall be deemed to be a member of the Board. *New*. Nominee deemed member of the Board

6.—(1) The government, conduct, management and control of the Institute and of its property, revenues, expenditures, business and affairs, except with respect to such matters as are assigned by this Act to the Academic Council, are vested in the Board, and the Board has all powers necessary or convenient to perform its duties and achieve the objects and purposes of the Institute including, without limiting the generality of the foregoing, the power, Powers of the Board

- (a) to enact by-laws for the conduct of its affairs;
- (b) to appoint the President and define his duties and responsibilities;
- (c) to appoint, classify, promote, suspend, transfer, reclassify or remove the members of the teaching faculty and administrative staff and such other employees as it considers necessary or advisable for the proper conduct of the affairs of the Institute, but no member of the teaching faculty or administrative staff except the President shall be appointed, classified, promoted, suspended, transferred, reclassified or removed unless recommended by the President or such other officer or employee of the Board delegated under subsection 4;
- (d) to fix the number, duties and salaries and other remuneration of the officers and employees of the Board;
- (e) to delegate such of its powers under clauses *c* and *d* as it considers proper to the President or other officer or employee of the Board as may be recommended by the President;
- (f) to provide for the retirement and superannuation of persons referred to in clauses *b* and *c*;
- (g) to provide for payments by way of gratuities, retirement allowances, sick leave allowances, superannuation allowances, pensions, annuities or life insurance, or any combination thereof, payable to any representative of or for the benefit of the persons mentioned in clauses *b* and *c*, or any class or classes thereof, out of a fund or funds comprising contributions made by such persons, or any class or classes thereof, or by the Board, or both, or otherwise;
- (h) to expend such sums as may be required for the purposes of funds that are established for the payment of gratuities, retirement allowances, pensions, life insurance, or health insurance, for the benefit of the persons mentioned in clauses *b* and *c*;
- (i) to expend such sums as the Board considers necessary for the support and maintenance of the Institute and for the betterment of existing buildings and the erection of such new buildings as the

Board may consider necessary for the use and purposes of the Institute and for the furnishings and equipment of such existing and newly-erected buildings;

- (j) to expend such sums as the Board considers necessary for the erection, equipment, furnishings and maintenance of residences and dining halls for the use of the students;
- (k) to acquire, hold and maintain such real property as the Board considers necessary for the use of the students of the Institute for athletic purposes and to erect and maintain such buildings and structures thereon as it considers necessary;
- (l) to provide such health services, health examinations and physical training for the students of the Institute as the Board considers necessary;
- (m) to appoint by resolution a member or members of the Board, or any other person or persons, to execute on behalf of the Board either documents and other instruments in writing generally or specific documents and other instruments in writing and to affix the corporate seal of the Board thereto;
- (n) to borrow money for its purposes upon its credit, and to give such security against the assets of the Institute by way of mortgage, debenture or otherwise, as it determines;
- (o) to invest all money that comes into its hands that is not required to be expended for any purpose to which it lawfully may be applied, subject always to any express limitations or restrictions on investment powers imposed by the terms of the instruments creating any trust as to the same, in such manner as it considers proper and, except where a trust instrument otherwise directs, combine trust moneys belonging to various trusts in its care into a common trust fund;
- (p) after consultation with the Minister,
 - (i) to co-operate with other educational institutions on such terms and for such periods of time as the Board may determine,
 - (ii) to establish, change and terminate such degree, diploma or certificate programs as

the Academic Council recommends and the Board considers appropriate; and

- (g) to establish and collect fees and charges for tuition and for services of any kind offered by the Institute and collect fees and charges on behalf of any entity, organization or element of the Institute. 1962-63, c. 128, s. 7; 1971, c. 65, s. 4, *amended*.

Recommendations
by
President
as to staff

- (2) The President shall make recommendations to the Board as to the appointment, classification, promotion, suspension, transfer, reclassification and removal of the members of the teaching faculty and administrative staff.

Recommendation

- (3) The President may recommend an officer or employee of the Board for the purpose of a delegation by the Board under clause *e* of subsection 1 of certain of its powers.

Delegation
by
President

- (4) The President, subject to the approval of the Board, may delegate his duties under subsection 2 to any other officer or employee of the Board. *New*.

Audit of
accounts
R.S.O. 1970,
c. 373

7. The Board shall appoint one or more public accountants licensed under *The Public Accountancy Act* to audit the accounts and transactions of the Board at least annually. 1962-63, c. 128, s. 8, *amended*.

Annual
report
to
Minister

- 8.—(1) The Board shall make a financial report annually to the Minister in such form and containing such information as the Minister may require. 1962-63, c. 128, s. 9 (1), *amended*.

Tabling

- (2) The Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session. 1962-63, c. 128, s. 9 (2).

Annual
public
report

- (3) The Board shall make available to the public an annual report including an annual financial report in such form and manner as the Board may determine. *New*.

ACADEMIC COUNCIL

Academic
Council

- 9.—(1) There shall be an Academic Council of the Institute composed of,

- (a) the President, the Vice-Presidents and the Deans, who shall be *ex officio* members; and

(b) such other members, not exceeding fifty in number, composed of persons elected by secret ballot,

(i) by the teaching faculty from among themselves,

(ii) by the students from among themselves, and

(iii) by the alumni from among themselves.

(2) The Academic Council shall by by-law determine, By-laws

(a) the number of members to be elected to the Academic Council by the teaching faculty, the students and the alumni, respectively;

(b) constituencies for each of the groups referred to in clause *b* of subsection 1 and assign persons or classes of persons thereto;

(c) the term of office of one, two or three years, as the case may be, for the members elected by each of the groups referred to in clause *b* of subsection 1; and

(d) the procedures to be followed in the election of members of the Academic Council.

(3) The Academic Council shall conduct the election of its members and shall determine any dispute as to the eligibility of a candidate at such election or of a person to vote thereat. Elections

(4) Where for any reason a by-law of the Academic Council has not been enacted under clause *c* of subsection 2, the term of office of an elected member of the Academic Council is one year. Term of office

(5) Subject to subsection 6, a member of the Academic Council is eligible for re-election except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Academic Council. Eligibility for re-election

(6) The limit of two consecutive terms referred to in subsection 5 does not include, Idem

(a) service on the Academic Council for the balance of an unexpired term for a person who becomes a

member of the Academic Council under subsection 8; or

- (b) service on the Academic Council for a term of office established by the Board under subsection 3 of section 17.

Membership
vacated

(7) An elected member of the Academic Council ceases to hold office where he ceases to be eligible pursuant to clause *b* of subsection 1 under which he was elected, except that a student member who graduates during his term of office may serve for the remainder of the current year.

Filling
vacancy

(8) Where a vacancy occurs for any reason among the elected members of the Academic Council before the term for which a person was elected has expired, the Academic Council in its sole discretion shall determine whether the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing, and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant.

Chairman
and Vice-
Chairman

(9) The President shall be the Chairman of the Academic Council and a Vice-Chairman shall be elected from among its members in such manner as the Academic Council may determine. *New.*

Powers of
Academic
Council

10. The Academic Council has, subject to the approval of the Board with respect to the expenditure of funds, the power to establish the educational policy of the Institute and without limiting the generality of the foregoing has the power,

- (a) to enact by-laws for the conduct of its affairs;
- (b) to enact by-laws for the purposes of subsection 2 of section 9 in order to conduct the election of its members;
- (c) to make recommendations to the Board with respect to the establishment, change or termination of programs and courses of study, schools, divisions and departments;
- (d) to determine the curricula of all programs and courses of study, the standards of admission to the Institute and continued registration therein, and the qualifications for degrees, diplomas and certificates of the Institute;

- (e) to conduct examinations, appoint examiners and decide all matters relating thereto;
- (f) to award fellowships, scholarships, bursaries, medals, prizes and other marks of academic achievement;
- (g) to award diplomas and certificates;
- (h) to grant bachelor of applied arts, bachelor of technology and bachelor of business management degrees; and
- (i) to create councils and committees to exercise its powers. *New.*

BOARD OF GOVERNORS AND ACADEMIC COUNCIL

11.—(1) Subject to subsections 2 and 3, a meeting of the Board or of the Academic Council shall be open to the public and prior notice of the meeting shall be given to the members of the Board or the Academic Council, as the case may be, and to the public in such manner as the Board and the Academic Council by by-law shall respectively determine, and no person shall be excluded from a meeting except for improper conduct as determined by the Board or the Academic Council, as the case may be. Meetings open to public

(2) Where matters confidential to the Institute are to be considered, the part of the meeting concerning such matters may be held *in camera*. Proviso

(3) Where a matter of a personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be held *in camera* unless such individual requests that that part of the meeting be open to the public. *New.* Idem

12. Every student is eligible for election to the Board or the Academic Council whether or not he has attained the age of eighteen years. *New.* Age of student members

13.—(1) The by-laws of the Board and of the Academic Council shall be open to examination by the public during normal business hours. Examination of by-laws

(2) The Board and the Academic Council shall publish their by-laws from time to time in such manner as they may, respectively, consider proper. *New.* Publication of by-laws

PROPERTY

Property
vested in
Board

14. All property heretofore or hereafter, by statute or otherwise, granted, conveyed, devised or bequeathed to the Board, the Institute or to any person in trust for or for the benefit of the Board, the Institute or any of its divisions or departments, subject to any trust affecting the property, is vested in the Board. 1962-63, c. 128, s. 6; 1966, c. 139, s. 1, *amended*.

Power to
deal with
property

15. The Board has power to purchase or otherwise acquire, take or receive, by deed, gift, bequest or devise, and to hold and enjoy without licence in mortmain and without limitation as to the period of holding any estate or property whatsoever, whether real or personal, and to sell, grant, convey, mortgage, lease or otherwise dispose of the same or any part thereof from time to time and as occasion may require, and to acquire other estate or property in addition thereto or in place thereof. 1962-63, c. 128, s. 7 (*m*), *amended*.

Expropria-
tion
R.S.O. 1970,
c. 154

16.—(1) Subject to the provisions of *The Expropriations Act*, the Board may, without the consent of the owner or any person interested therein, other than a municipality or a district, regional or metropolitan municipality, enter upon, take, use and expropriate all such land as defined in section 1 of *The Expropriations Act* as it considers necessary for the purposes of the Institute. 1962-63, c. 128, s. 7 (*n*), *amended*.

Land
vested in
Board not
liable to
expropria-
tion

(2) Real property vested in the Board and used by the Institute for its purposes shall not be liable to be entered upon, used or taken by any corporation, except a municipal corporation, or by any person possessing the right of taking real property compulsorily for any purpose and no power to expropriate real property hereafter conferred shall extend to such real property unless in the Act conferring the power it is made in express terms to apply thereto. *New*.

MISCELLANEOUS

Election
of Board

17.—(1) For the purpose of the election of members to the Board who are to take office on the 1st day of July, 1978, the Board in office when this section comes into force shall, notwithstanding any other provision of this Act, conduct the election and may determine that one or more of the members so elected shall serve for a period of less than three years.

(2) Notwithstanding clauses *b* and *g* of subsection 1 of section 4, the Lieutenant Governor in Council may determine that one or more of the members appointed by it to the Board to take office on the 1st day of July, 1978, shall serve for a period of less than three years. Term of office

(3) For the purpose of the first election of members to the Academic Council who are to take office on the 1st day of July, 1978, the Board in office when this section comes into force shall determine, notwithstanding any other provision of this Act, the composition and the number, not exceeding fifty, of the members to be elected and shall determine the term or terms of office of one, two or three years of such members and the method of their election and shall conduct such elections. First election of Academic Council

(4) The Board in office when this section comes into force is hereby authorized and empowered to arrange for and call the first meeting of the Board and of the Academic Council, respectively, to be held on or after the 1st day of July, 1978, and the members of the said Board and Academic Council shall be given reasonable notice of such meetings. First meeting of Board and Academic Council
New.

18. The following are repealed:

Repeals

1. *The Ryerson Polytechnical Institute Act, 1962-63*, being chapter 128.
2. *The Ryerson Polytechnical Institute Amendment Act, 1966*, being chapter 139.
3. *The Ryerson Polytechnical Institute Amendment Act, 1971*, being chapter 65.

19.—(1) This Act, except sections 1 to 16 and 18, comes into force on the day it receives Royal Assent. Commencement

(2) Sections 1 to 16 and 18 come into force on the 1st day of July, 1978. Idem

20. The short title of this Act is *The Ryerson Polytechnical Institute Act, 1977*. Short title

An Act respecting
Ryerson Polytechnical Institute

1st Reading

June 27th, 1977

2nd Reading

November 8th, 1977

3rd Reading

THE HON. H. C. PARROTT
Minister of Colleges and
Universities

*(Reprinted as amended by the
Committee of the Whole House)*

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act respecting Ryerson Polytechnical Institute

THE HON. H. C. PARROTT
Minister of Colleges and Universities



EXPLANATORY NOTE

The present corporation known as the Board of Governors of Ryerson Polytechnical Institute is continued with all its former powers except those which have been assigned by this Act to the newly formed Academic Council.

Some features of the Bill are as follows:

1. The number of members of the Board of Governors has been increased from thirteen to twenty-three members, nine of whom are appointed by the Lieutenant Governor in Council and two by the Board.

Eleven members of the Board are elected from among the teaching faculty, the administrative staff, students and the alumni. The President is a member *ex officio*. (Section 4)
2. No person may serve as a member of the Board of Governors unless he is a Canadian citizen. (Section 4 (3))
3. The quorum of the Board of Governors has been increased from five to ten members or such greater number as the Board by by-law may determine and at least one-half of the quorum shall consist of members of the Board appointed by the Lieutenant Governor in Council and the Board or elected by alumni. (Section 4 (9))
4. An Academic Council is established that is composed of the President, Vice-Presidents and Deans who are *ex officio* members, and such other members, not exceeding fifty in number, elected from among the teaching faculty, students and alumni. (Section 9)
5. The Academic Council has the power to establish the educational policy of the Institute including the awarding of diplomas and certificates and the granting of bachelor of applied arts, bachelor of technology and bachelor of business management degrees. (Section 10)
6. Meetings of the Board of Governors and of the Academic Council are open to the public except where a matter of a personal nature concerning an individual or a confidential matter of the Institute may be disclosed. (Section 11)
7. The by-laws of the Board of Governors and the Academic Council are open to examination by the public. (Section 13)
8. The Board of Governors is empowered to conduct the election of its members and members of the Academic Council who are to take office on the 1st day of November, 1977, and the Board may determine the term or terms of office of its members so elected and the term or terms of office of the members of the Academic Council so elected.

BILL 25

1977

An Act respecting Ryerson Polytechnical Institute

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

INTERPRETATION

1.—(1) In this Act,

Interpre-
tation

- (a) "Academic Council" means the Academic Council of Ryerson Polytechnical Institute;
- (b) "administrative staff" means the full-time employees of the Board who are not members of the teaching faculty;
- (c) "alumni" means the persons who have received degrees, diplomas or certificates from the Institute and are no longer registered as students;
- (d) "Board" means The Board of Governors of Ryerson Polytechnical Institute;
- (e) "Institute" means Ryerson Polytechnical Institute;
- (f) "Minister" means the Minister of Colleges and Universities;
- (g) "President" means the President of Ryerson Polytechnical Institute;
- (h) "property" means real and personal property;
- (i) "student" means a person who is registered as such in a program or course of study at the Institute that leads to a degree, diploma or certificate of the Institute;

(j) "teaching faculty" means the full-time employees of the Board whose prime duty is the performance of the teaching function of the Institute, including those holding the offices of Dean, Chairman or Assistant Chairman of a department, and Academic Director;

(k) "year" means the membership year of the Board or the Academic Council, as the case may be, and shall be any twelve-month period established by the Board or the Academic Council, respectively, from time to time. 1962-63, c. 128, s. 1; 1971, c. 65, s. 1, *amended*.

Conflict

R.S.O. 1970,
c. 89

(2) In the event of conflict between any provision of this Act and any provision of *The Corporations Act*, the provision of this Act prevails. *New*.

GENERAL

Institute
continued

2. Ryerson Polytechnical Institute is continued, subject to the provisions of this Act. 1962-63, c. 128, s. 2, *amended*.

Objects

3. The objects and purposes of the Institute are to provide,

(a) programs and courses of study in any branch of arts, applied arts, business, community services and technology; and

(b) programs and courses of study sponsored jointly with the Government of Ontario or any ministry or board, agency or commission thereof, with the Government of Canada or any department or board, agency or commission thereof, with industry or commerce, or with other educational institutions. 1962-63, c. 128, s. 3, *amended*.

BOARD OF GOVERNORS

Corporation
continued

4.—(1) The Board of Governors of Ryerson Polytechnical Institute is continued as a body corporate and shall be composed of,

(a) the President, who shall be an *ex officio* member;

(b) nine members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years;

- (c) three members, none of whom is an employee of the Board, elected by the alumni from among themselves for a term of three years;
- (d) three members elected by the teaching faculty from among themselves for a term of two years;
- (e) two members elected by the administrative staff from among themselves for a term of two years;
- (f) three members elected by the students from among themselves for a term of one year; and
- (g) two members, none of whom is a student or an employee of the Board, appointed by the Lieutenant Governor in Council for a term of three years and thereafter by the Board for a term of three years. 1962-63, c. 128, s. 4 (1-3); 1971, c. 65, s. 2, *amended*.

(2) The Board shall by by-law determine the manner and procedure of election of its members and shall conduct such elections and determine any dispute as to eligibility to hold office or to vote, and such elections shall be by secret ballot. Manner of election

(3) No person shall serve as a member of the Board unless he is a Canadian citizen. *New.* Canadian citizenship

(4) Subject to subsection 5, a member of the Board is eligible for reappointment or re-election, as the case may be, except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Board. 1962-63, c. 128, s. 4 (4), *amended*. Eligibility for reappointment or re-election

(5) The limit of two consecutive terms referred to in subsection 4 does not include, Idem

- (a) service on the Board prior to the day this section comes into force;
- (b) service on the Board for the balance of an unexpired term for a person who becomes a member of the Board under subsection 8; or
- (c) service on the Board for a term reduced under subsection 1 or 2 of section 17. *New.*

Membership
vacated

(6) A member of the Board ceases to hold office where he ceases to be eligible pursuant to,

(a) subsection 3; or

(b) clauses *b* to *g* of subsection 1 under which he was appointed or elected, as the case may be, except that a student member who graduates during his term of office may serve for the remainder of such term. 1962-63, c. 128, s. 4 (5), *amended*.

Absence
from
meetings

(7) Where, within any year, a member of the Board, not having been granted leave of absence by the Board, attends less than 50 per cent of the regular meetings of such body, the Board may by resolution declare his membership vacant. 1962-63, c. 128, s. 4 (6), *amended*.

Filling
vacancies

(8) Where a vacancy on the Board occurs before the term of office for which a person was appointed or elected has expired,

(a) if the vacancy is that of an appointed member, the vacancy may be filled by the same authority which appointed the person whose membership is vacant; and

(b) if the vacancy is that of an elected member, the Board in its sole discretion shall determine if the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing,

and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant. 1962-63, c. 128, s. 4 (8), *amended*.

Quorum

(9) A quorum of the Board shall consist of ten members or such greater number as the Board by by-law may determine, and at least one-half of the quorum shall consist of members of the Board appointed or elected under clauses *b*, *c* and *g* of subsection 1. 1962-63, c. 128, s. 4 (10), *amended*.

Chairman
and
Vice-
Chairman

(10) The Board shall elect a Chairman and a Vice-Chairman from among the members appointed or elected under clauses *b*, *c* and *g* of subsection 1 and in the event of the absence or inability to act of the Chairman or of there being a vacancy in that office, the Vice-Chairman shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (11), *amended*.

(11) In the absence or inability to act of the Chairman and Vice-Chairman, the Board may appoint one of its members appointed or elected under clauses *b*, *c* and *g* of subsection 1 to act as Chairman for the time being and the member so appointed shall act as and have all the powers of the Chairman. 1962-63, c. 128, s. 4 (12, 13), *amended*. Absence

(12) The term of office of the Chairman and of the Vice-Chairman shall be as determined by the Board. *New*. Term
of
office

5.—(1) The Board may establish committees and appoint persons thereto and, subject to subsection 5, confer upon any such committee authority to act for the Board with respect to any matter or class of matters. 1962-63, c. 128, s. 5 (1), *amended*. Committees

(2) A majority of the members of a committee shall be members of the Board. 1962-63, c. 128, s. 5 (2). Majority
to be
board
members

(3) The President shall be an *ex officio* member of every committee established under subsection 1 unless excluded therefrom by a by-law or a resolution of the Board. 1971, c. 65, s. 3, *amended*. President
ex officio
member

(4) The President, if not excluded under subsection 3 as a member of a committee, may nominate an officer of the Board to represent him on a committee established under subsection 1, and such nominee shall act in the place and stead of the President on such committee. *New*. Nominee

(5) No decision of a committee that includes in its membership persons who are not members of the Board is effective until approved and ratified by the Board. 1962-63, c. 128, s. 5 (4). Decision
of
committee

(6) For the purposes of subsections 2 and 5, an officer of the Board nominated by the President under subsection 4 to represent him on a committee shall be deemed to be a member of the Board. *New*. Nominee
deemed
member
of the
Board

6.—(1) The government, conduct, management and control of the Institute and of its property, revenues, expenditures, business and affairs, except with respect to such matters as are assigned by this Act to the Academic Council, are vested in the Board, and the Board has all powers necessary or convenient to perform its duties and achieve the objects and purposes of the Institute including, without limiting the generality of the foregoing, the power, Powers of
the Board

- (a) to enact by-laws for the conduct of its affairs;
- (b) to appoint the President and define his duties and responsibilities;
- (c) to appoint, classify, promote, suspend, transfer, reclassify or remove the members of the teaching faculty and administrative staff and such other employees as it considers necessary or advisable for the proper conduct of the affairs of the Institute, but no member of the teaching faculty or administrative staff except the President shall be appointed, classified, promoted, suspended, transferred, reclassified or removed unless recommended by the President or such other officer or employee of the Board delegated under subsection 4;
- (d) to fix the number, duties and salaries and other remuneration of the officers and employees of the Board;
- (e) to delegate such of its powers under clauses *c* and *d* as it considers proper to the President or other officer or employee of the Board as may be recommended by the President;
- (f) to provide for the retirement and superannuation of persons referred to in clauses *b* and *c*;
- (g) to provide for payments by way of gratuities, retirement allowances, sick leave allowances, superannuation allowances, pensions, annuities or life insurance, or any combination thereof, payable to any representative of or for the benefit of the persons mentioned in clauses *b* and *c*, or any class or classes thereof, out of a fund or funds comprising contributions made by such persons, or any class or classes thereof, or by the Board, or both, or otherwise;
- (h) to expend such sums as may be required for the purposes of funds that are established for the payment of gratuities, retirement allowances, pensions, life insurance, or health insurance, for the benefit of the persons mentioned in clauses *b* and *c*;
- (i) to expend such sums as the Board considers necessary for the support and maintenance of the Institute and for the betterment of existing buildings and the erection of such new buildings as the

Board may consider necessary for the use and purposes of the Institute and for the furnishings and equipment of such existing and newly-erected buildings;

- (j) to expend such sums as the Board considers necessary for the erection, equipment, furnishings and maintenance of residences and dining halls for the use of the students;
- (k) to acquire, hold and maintain such real property as the Board considers necessary for the use of the students of the Institute for athletic purposes and to erect and maintain such buildings and structures thereon as it considers necessary;
- (l) to provide such health services, health examinations and physical training for the students of the Institute as the Board considers necessary;
- (m) to appoint by resolution a member or members of the Board, or any other person or persons, to execute on behalf of the Board either documents and other instruments in writing generally or specific documents and other instruments in writing and to affix the corporate seal of the Board thereto;
- (n) to borrow money for its purposes upon its credit, and to give such security against the assets of the Institute by way of mortgage, debenture or otherwise, as it determines;
- (o) to invest all money that comes into its hands that is not required to be expended for any purpose to which it lawfully may be applied, subject always to any express limitations or restrictions on investment powers imposed by the terms of the instruments creating any trust as to the same, in such manner as it considers proper and, except where a trust instrument otherwise directs, combine trust moneys belonging to various trusts in its care into a common trust fund;
- (p) after consultation with the Minister,
 - (i) to co-operate with other educational institutions on such terms and for such periods of time as the Board may determine,
 - (ii) to establish, change and terminate such degree, diploma or certificate programs as

the Academic Council recommends and the Board considers appropriate; and

- (q) to establish and collect fees and charges for tuition and for services of any kind offered by the Institute and collect fees and charges on behalf of any entity, organization or element of the Institute. 1962-63, c. 128, s. 7; 1971, c. 65, s. 4, *amended*.

Recommendations
by
President
as to staff

- (2) The President shall make recommendations to the Board as to the appointment, classification, promotion, suspension, transfer, reclassification and removal of the members of the teaching faculty and administrative staff.

Recommendation

- (3) The President may recommend an officer or employee of the Board for the purpose of a delegation by the Board under clause *e* of subsection 1 of certain of its powers.

Delegation
by
President

- (4) The President, subject to the approval of the Board, may delegate his duties under subsection 2 to any other officer or employee of the Board. *New*.

Audit of
accounts
R.S.O. 1970,
c. 373

7. The Board shall appoint one or more public accountants licensed under *The Public Accountancy Act* to audit the accounts and transactions of the Board at least annually. 1962-63, c. 128, s. 8, *amended*.

Annual
report
to
Minister

- 8.—(1) The Board shall make a financial report annually to the Minister in such form and containing such information as the Minister may require. 1962-63, c. 128, s. 9 (1), *amended*.

Tabling

- (2) The Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session. 1962-63, c. 128, s. 9 (2).

Annual
public
report

- (3) The Board shall make available to the public an annual report including an annual financial report in such form and manner as the Board may determine. *New*.

ACADEMIC COUNCIL

Academic
Council

- 9.—(1) There shall be an Academic Council of the Institute composed of,

- (a) the President, the Vice-Presidents and the Deans, who shall be *ex officio* members; and

(b) such other members, not exceeding fifty in number, composed of persons elected by secret ballot,

(i) by the teaching faculty from among themselves,

(ii) by the students from among themselves, and

(iii) by the alumni from among themselves.

(2) The Academic Council shall by by-law determine, By-laws

(a) the number of members to be elected to the Academic Council by the teaching faculty, the students and the alumni, respectively;

(b) constituencies for each of the groups referred to in clause *b* of subsection 1 and assign persons or classes of persons thereto;

(c) the term of office of one, two or three years, as the case may be, for the members elected by each of the groups referred to in clause *b* of subsection 1; and

(d) the procedures to be followed in the election of members of the Academic Council.

(3) The Academic Council shall conduct the election of Elections its members and shall determine any dispute as to the eligibility of a candidate at such election or of a person to vote thereat.

(4) Where for any reason a by-law of the Academic Term of office Council has not been enacted under clause *c* of subsection 2, the term of office of an elected member of the Academic Council is one year.

(5) Subject to subsection 6, a member of the Academic Eligibility for re-election Council is eligible for re-election except that no member shall serve for more than two consecutive terms, but on the expiration of one year after having served the second of two consecutive terms, such person may again be eligible for membership on the Academic Council.

(6) The limit of two consecutive terms referred to in Idem subsection 5 does not include,

(a) service on the Academic Council for the balance of an unexpired term for a person who becomes a

member of the Academic Council under subsection 8; or

- (b) service on the Academic Council for a term of office established by the Board under subsection 3 of section 17.

Membership
vacated

(7) An elected member of the Academic Council ceases to hold office where he ceases to be eligible pursuant to clause *b* of subsection 1 under which he was elected, except that a student member who graduates during his term of office may serve for the remainder of the current year.

Filling
vacancy

(8) Where a vacancy occurs for any reason among the elected members of the Academic Council before the term for which a person was elected has expired, the Academic Council in its sole discretion shall determine whether the vacancy is to be filled and, if so and notwithstanding any other provision of this Act, the manner and procedure for so doing, and the person filling such vacancy shall hold office for the remainder of the term of the person whose membership is vacant.

Chairman
and Vice-
Chairman

(9) The President shall be the Chairman of the Academic Council and a Vice-Chairman shall be elected from among its members in such manner as the Academic Council may determine. *New.*

Powers of
Academic
Council

10. The Academic Council has, subject to the approval of the Board with respect to the expenditure of funds, the power to establish the educational policy of the Institute and without limiting the generality of the foregoing has the power,

- (a) to enact by-laws for the conduct of its affairs;
- (b) to enact by-laws for the purposes of subsection 2 of section 9 in order to conduct the election of its members;
- (c) to make recommendations to the Board with respect to the establishment, change or termination of programs and courses of study, schools, divisions and departments;
- (d) to determine the curricula of all programs and courses of study, the standards of admission to the Institute and continued registration therein, and the qualifications for degrees, diplomas and certificates of the Institute;

- (e) to conduct examinations, appoint examiners and decide all matters relating thereto;
- (f) to award fellowships, scholarships, bursaries, medals, prizes and other marks of academic achievement;
- (g) to award diplomas and certificates;
- (h) to grant bachelor of applied arts, bachelor of technology and bachelor of business management degrees; and
- (i) to create councils and committees to exercise its powers. *New.*

BOARD OF GOVERNORS AND ACADEMIC COUNCIL

11.—(1) Subject to subsections 2 and 3, a meeting of the Board or of the Academic Council shall be open to the public and prior notice of the meeting shall be given to the members of the Board or the Academic Council, as the case may be, and to the public in such manner as the Board and the Academic Council by by-law shall respectively determine, and no person shall be excluded from a meeting except for improper conduct as determined by the Board or the Academic Council, as the case may be. Meetings
open to
public

(2) Where matters confidential to the Institute are to be considered, the part of the meeting concerning such matters may be held *in camera*. Proviso

(3) Where a matter of a personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be held *in camera* unless such individual requests that that part of the meeting be open to the public. *New.* Idem

12. Every student is eligible for election to the Board or the Academic Council whether or not he has attained the age of eighteen years. *New.* Age of
student
members

13.—(1) The by-laws of the Board and of the Academic Council shall be open to examination by the public during normal business hours. Examination
of by-laws

(2) The Board and the Academic Council shall publish their by-laws from time to time in such manner as they may, respectively, consider proper. *New.* Publica-
tion of
by-laws

PROPERTY

Property
vested in
Board

14. All property heretofore or hereafter, by statute or otherwise, granted, conveyed, devised or bequeathed to the Board, the Institute or to any person in trust for or for the benefit of the Board, the Institute or any of its divisions or departments, subject to any trust affecting the property, is vested in the Board. 1962-63, c. 128, s. 6; 1966, c. 139, s. 1, *amended*.

Power to
deal with
property

15. The Board has power to purchase or otherwise acquire, take or receive, by deed, gift, bequest or devise, and to hold and enjoy without licence in mortmain and without limitation as to the period of holding any estate or property whatsoever, whether real or personal, and to sell, grant, convey, mortgage, lease or otherwise dispose of the same or any part thereof from time to time and as occasion may require, and to acquire other estate or property in addition thereto or in place thereof. 1962-63, c. 128, s. 7 (*m*), *amended*.

Expropria-
tion
R.S.O. 1970,
c. 154

16.—(1) Subject to the provisions of *The Expropriations Act*, the Board may, without the consent of the owner or any person interested therein, other than a municipality or a district, regional or metropolitan municipality, enter upon, take, use and expropriate all such land as defined in section 1 of *The Expropriations Act* as it considers necessary for the purposes of the Institute. 1962-63, c. 128, s. 7 (*n*), *amended*.

Land
vested in
Board not
liable to
expropria-
tion

(2) Real property vested in the Board and used by the Institute for its purposes shall not be liable to be entered upon, used or taken by any corporation, except a municipal corporation, or by any person possessing the right of taking real property compulsorily for any purpose and no power to expropriate real property hereafter conferred shall extend to such real property unless in the Act conferring the power it is made in express terms to apply thereto. *New*.

MISCELLANEOUS

Election
of Board

17.—(1) For the purpose of the election of members to the Board who are to take office on the 1st day of November, 1977, the Board in office when this section comes into force shall, notwithstanding any other provision of this Act, conduct the election and may determine that one or more of the members so elected shall serve for a period of less than three years.

(2) Notwithstanding clauses *b* and *g* of subsection 1 of section 4, the Lieutenant Governor in Council may determine that one or more of the members appointed by it to the Board to take office on the 1st day of November, 1977, shall serve for a period of less than three years. Term of office

(3) For the purpose of the first election of members to the Academic Council who are to take office on the 1st day of November, 1977, the Board in office when this section comes into force shall determine, notwithstanding any other provision of this Act, the composition and the number, not exceeding fifty, of the members to be elected and shall determine the term or terms of office of one, two or three years of such members and the method of their election and shall conduct such elections. First election of Academic Council

(4) The Board in office when this section comes into force is hereby authorized and empowered to arrange for and call the first meeting of the Board and of the Academic Council, respectively, to be held on or after the 1st day of November, 1977, and the members of the said Board and Academic Council shall be given reasonable notice of such meetings. *New.* First meeting of Board and Academic Council

18. The following are repealed:

Repeals

1. *The Ryerson Polytechnical Institute Act, 1962-63*, being chapter 128.
2. *The Ryerson Polytechnical Institute Amendment Act, 1966*, being chapter 139.
3. *The Ryerson Polytechnical Institute Amendment Act, 1971*, being chapter 65.

19.—(1) This Act, except sections 1 to 16 and 18, comes into force on the day it receives Royal Assent. Commencement

(2) Sections 1 to 16 and 18 come into force on the 1st day of November, 1977. Idem

20. The short title of this Act is *The Ryerson Polytechnical Institute Act, 1977*. Short title

An Act respecting
Ryerson Polytechnical Institute

1st Reading

June 27th, 1977

2nd Reading

3rd Reading

THE HON. H. C. PARROTT
Minister of Colleges and
Universities

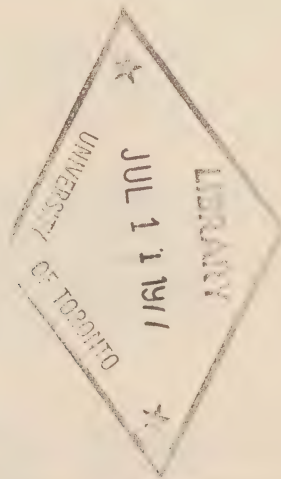
(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Legislative Assembly Act

THE HON. R. WELCH
Minister of Culture and Recreation



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTES

SECTION 1. Section 16 of the Act requires that an affidavit in Form 1 be filed with the Clerk. The enactment of *The Election Finances Reform Act, 1975* removes the necessity for the affidavit.

SECTION 2. Subsection 1 and clause *e* of subsection 6 of section 65 of the Act provide for payment to members of the Assembly of mileage allowances at fixed rates. The amendments provide for the setting of the rates by the Board of Internal Economy.

Subsection 7 of section 65 of the Act provides for payment to members of the Assembly (other than those referred to in the clauses) while attending as members of the Assembly at Toronto, the actual cost of their accommodation not exceeding \$3,900 in any year. The amendment provides that the Board of Internal Economy may set the maximum amount that will be paid to the members in respect of such accommodation.

SECTION 3. Clause *a* of subsection 1 of section 66 of the Act provides for payment to members of committees of the Assembly of mileage allowances at a fixed rate. The amendment provides for the setting of the rate by the Board of Internal Economy.

BILL 26

1977

An Act to amend The Legislative Assembly Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 16 of *The Legislative Assembly Act*, being chapter 240 of the Revised Statutes of Ontario, 1970, is repealed. ^{s. 16, repealed}
- 2.—(1) Subsection 1 of section 65 of the said Act, as re-enacted ^{s. 65 (1), amended} by the Statutes of Ontario, 1973, chapter 151, section 7, is amended by striking out “an allowance of 15 cents for every mile of such transportation” in the fifth and sixth lines and inserting in lieu thereof “an allowance for every mile of such transportation in such amount as may be determined from time to time by the Board of Internal Economy”.
- (2) Clause *e* of subsection 6 of the said section 65, as ^{s. 65 (6) (e), re-enacted} re-enacted by the Statutes of Ontario, 1976, chapter 60, section 1, is repealed and the following substituted therefor:

(e) by private automobile shall be an allowance for every mile of such transportation in such amount as may be determined from time to time by the Board of Internal Economy.
- (3) Subsection 7 of the said section 65, as amended by ^{s. 65 (7), amended} the Statutes of Ontario, 1976, chapter 60, section 1, is further amended by striking out “\$3,900 in any year” in the fourteenth line and in the amendment of 1976 and inserting in lieu thereof “such amount in any year as may be determined from time to time by the Board of Internal Economy”.
3. Clause *a* of subsection 1 of section 66 of the said Act is amended ^{s. 66 (1) (a), amended} by striking out “an allowance of 10 cents for every mile travelled by private automobile” in the third and fourth lines

and inserting in lieu thereof "an allowance in such amount as may be determined from time to time by the Board of Internal Economy for every mile travelled by private automobile".

Form 1,
repealed

4. Form 1 of the said Act is repealed.

Commence-
ment

5. This Act shall be deemed to have come into force on the 1st day of April, 1977.

Short title

6. The short title of this Act is *The Legislative Assembly Amendment Act, 1977*.

SECTION 4. Complementary to section 1.

An Act to amend
The Legislative Assembly Act

1st Reading

June 27th, 1977

2nd Reading

3rd Reading

THE HON. R. WELCH
Minister of Culture and Recreation

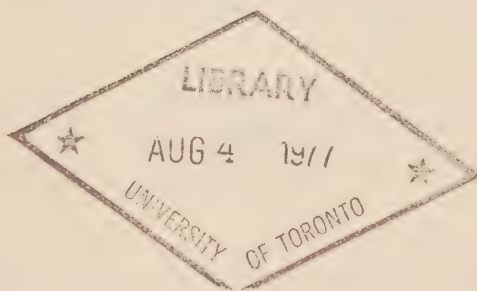
(*Government Bill*)

BILL 26

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend The Legislative Assembly Act

THE HON. R. WELCH
Minister of Culture and Recreation



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 26

1977

An Act to amend The Legislative Assembly Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 16 of *The Legislative Assembly Act*, being chapter 240 of the Revised Statutes of Ontario, 1970, is repealed. ^{s. 16, repealed}
- 2.—(1) Subsection 1 of section 65 of the said Act, as re-enacted ^{s. 65 (1), amended} by the Statutes of Ontario, 1973, chapter 151, section 7, is amended by striking out “an allowance of 15 cents for every mile of such transportation” in the fifth and sixth lines and inserting in lieu thereof “an allowance for every mile of such transportation in such amount as may be determined from time to time by the Board of Internal Economy”.
- (2) Clause *e* of subsection 6 of the said section 65, as ^{s. 65 (6) (e), re-enacted} re-enacted by the Statutes of Ontario, 1976, chapter 60, section 1, is repealed and the following substituted therefor:

(e) by private automobile shall be an allowance for every mile of such transportation in such amount as may be determined from time to time by the Board of Internal Economy.
- (3) Subsection 7 of the said section 65, as amended ^{s. 65 (7), amended} by the Statutes of Ontario, 1976, chapter 60, section 1, is further amended by striking out “\$3,900 in any year” in the fourteenth line and in the amendment of 1976 and inserting in lieu thereof “such amount in any year as may be determined from time to time by the Board of Internal Economy”.
3. Clause *a* of subsection 1 of section 66 of the said Act is amended ^{s. 66 (1) (a), amended} by striking out “an allowance of 10 cents for every mile travelled by private automobile” in the third and fourth lines

and inserting in lieu thereof “an allowance in such amount as may be determined from time to time by the Board of Internal Economy for every mile travelled by private automobile”.

Form 1,
repealed

4. Form 1 of the said Act is repealed.

Commence-
ment

5. This Act shall be deemed to have come into force on the 1st day of April, 1977.

Short title

6. The short title of this Act is *The Legislative Assembly Amendment Act, 1977*.

An Act to amend
The Legislative Assembly Act

1st Reading

June 27th, 1977

2nd Reading

July 6th, 1977

3rd Reading

July 6th, 1977

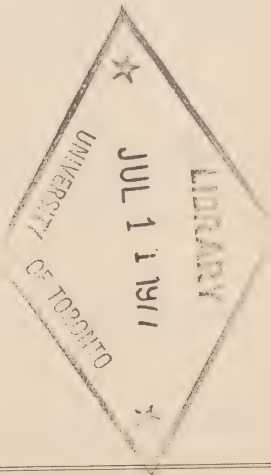
THE HON. R. WELCH
Minister of Culture and Recreation

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Ontario Human Rights Code

MR. NEWMAN
(Windsor-Walkerville)



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTE

The purpose of the Bill is to prevent discrimination on the basis of a physical handicap.

BILL 27

1977

An Act to amend The Ontario Human Rights Code

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. The preamble to *The Ontario Human Rights Code*, being ^{Preamble amended} chapter 318 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1972, chapter 119, section 1, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap".
2. Subsection 1 of section 1 of the said Act, as amended by the ^{s. 1 (1), amended} Statutes of Ontario, 1972, chapter 119, section 2, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap".
3. Subsection 1 of section 2 of the said Act, as amended by the ^{s. 2 (1), amended} Statutes of Ontario, 1972, chapter 119, section 3, is further amended by inserting after "status" in the amendment of 1972 "a physical handicap".
4. Subsection 1 of section 3 of the said Act, as re-enacted by the ^{s. 3 (1), amended} Statutes of Ontario, 1972, chapter 119, section 4, is amended by inserting after "sex" in the eleventh line "a physical handicap".
- 5.—(1) Subsection 1 of section 4 of the said Act, as re-enacted ^{s. 4 (1), amended} by the Statutes of Ontario, 1972, chapter 119, section 5, is amended by inserting after "status" in the twenty-second line "a physical handicap".
 - (2) Subsection 2 of the said section 4 is amended by ^{s. 4 (2), amended} inserting after "status" in the fifth line "a physical handicap".
 - (3) Subsection 3 of the said section 4 is amended by ^{s. 4 (3), amended} inserting after "status" in the ninth line "a physical handicap".

- s. 4 (5),
amended (4) Subsection 5 of the said section 4 is amended by inserting after "status" in the third line "a physical handicap".
- s. 4,
amended (5) The said section 4, as amended by the Statutes of Ontario, 1974, chapter 73, sections 2 and 3, is further amended by adding thereto the following subsection:
- Exception (6a) The provisions of this section do not apply where the nature or extent of the physical handicap would reasonably preclude the performance of the particular employment.
- s. 4 (7),
amended (6) Subsection 7 of the said section 4 is amended by inserting after "status" in the third line "a physical handicap".
- s. 4a (1),
amended **6.—**(1) Subsection 1 of section 4a of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 119, section 6, is amended by inserting after "status" in the fourth line "a physical handicap".
- s. 4a (2),
amended (2) Subsection 2 of the said section 4a is amended by inserting after "status" in the fourth line "a physical handicap".
- s. 6a,
amended **7.** Section 6a of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 119, section 7, is amended by inserting after "status" in the eighth line "physical handicaps".
- s. 9 (a, c),
amended **8.** Clauses a and c of section 9 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 119, section 9, are amended by inserting after "status" in the fourth line, in each instance, "physical handicaps".
- s. 19,
amended **9.** Section 19 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 119, section 14, is further amended by adding thereto the following clause:
- (ha) "physical handicap" means a physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect or illness and includes epilepsy and any degree of paralysis, amputation, lack of physical co-ordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment or physical reliance on a seeing eye dog, wheelchair, or other remedial appliance or device.

10. This Act comes into force on the day it receives Royal Assent. Commence-
ment
11. The short title of this Act is *The Ontario Human Rights Code* Short title
Amendment Act, 1977.

An Act to amend
The Ontario Human Rights Code

1st Reading

June 27th, 1977

2nd Reading

3rd Reading

MR. NEWMAN
(Windsor-Walkerville)

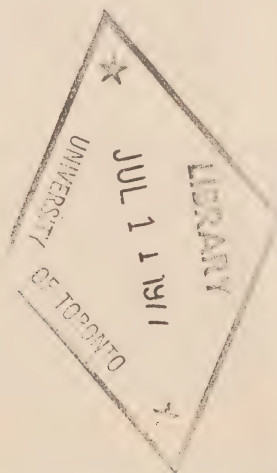
(Private Member's Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act respecting Special Educational Programs

MR. FOULDS



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTE

This Bill guarantees access to education to all children of compulsory school age who suffer from any kind of chronic physical disability, or any kind of learning disability including the blind, deaf, autistic, mentally handicapped and perceptually handicapped.

BILL 28

1977

An Act respecting Special Educational Programs

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act, “board” means a board of education, ^{Interpre-} public school board, secondary school board, Roman Catholic separate school board or Protestant separate school board.

2. Every board shall,

- (a) establish special education programs to provide ^{Board to establish special educational programs} special education services to pupils who require such services in order to make educational progress and who have a right to attend a school under the jurisdiction of the board;
- (b) establish and administer tests for the purpose of determining the children under the jurisdiction of the board who are unlikely or unable to make educational progress in the regular classroom program and who may make educational progress when provided with special education services.

3. The fact that a child is chronically physically disabled, blind, deaf, autistic, mentally handicapped or suffers from a perceptual handicap or any other learning disability does not release a board from its responsibility under section 2, unless that child’s parents consent to the placing of that child in and that child is eligible for admission to a school or class for trainable retarded children, the Ontario School for the Blind, an Ontario School for the Deaf, or any other educational institution adequate to meet that child’s needs. ^{Exception where parental consent and adequate alternative educational services}

4. Where a child receives special educational services ^{Costs to be borne by board} under section 3, the board responsible for that child under

An Act respecting
Special Educational Programs

1st Reading

June 28th, 1977

2nd Reading

3rd Reading

MR. FOULDS

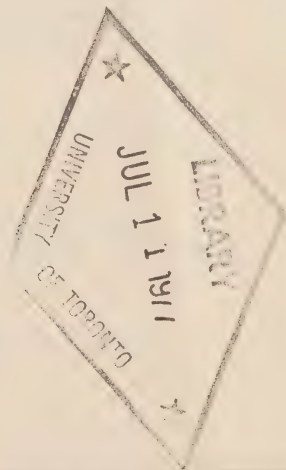
(Private Member's Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act respecting Election Public Opinion Polls

MR. SAMIS



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTE

This Bill prohibits the publishing and broadcasting of political opinion polls during an election where the polls relate to the outcome of the election, or the standing of any leader, candidate or party in the election.

BILL 29

1977

An Act respecting Election Public Opinion Polls

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

(a) "candidate" means,

- (i) a person who is duly nominated as a candidate for an electoral district in accordance with *The Election Act*,

R.S.O. 1970,
c. 142

- (ii) a person who is nominated by a constituency association of a registered party in an electoral district as the official candidate of such party in the electoral district, or

- (iii) a person who, on or after the date of the issue of a writ for an election in an electoral district, declares himself to be an independent candidate at the election in the electoral district;

- (b) "election" means an election to elect a member or members to serve in the Assembly;

- (c) "leader" means a leader of a political party registered under *The Election Finances Reform Act*, 1975, c. 12 1975;

- (d) "party" means a political party registered under *The Election Finances Reform Act*, 1975;

- (e) "publication" means a communication to the general public by means of newspaper, magazine or other periodical, broadcasting, or outdoor advertis-

ing facilities, and “publish” has a corresponding meaning;

(f) “public opinion poll” includes public opinion survey.

Prohibition
re opinion
polls

2. No person shall procure for publication, cause to be published or consent to the publication of a public opinion poll in respect of the outcome of an election or the standing of any leader, candidate or party in the election during the period from the issue of the writ for the election until the time the voting polls are officially closed.

Offence

3. Every person who contravenes any provision of this Act and every director or officer of a corporation who knowingly concurs in such contravention is guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

Corporation

4. Where a corporation is convicted of an offence under section 3, the maximum penalty that may be imposed upon the corporation is \$10,000, and not as provided therein.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. The short title of this Act is *The Election Public Opinion Polls Act, 1977*.

An Act respecting
Election Public Opinion Polls

1st Reading

June 28th, 1977

2nd Reading

3rd Reading

MR. SAMIS

(Private Member's Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to revise The Securities Act

THE HON. S. B. HANDLEMAN
Minister of Consumer and Commercial Relations

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EXPLANATORY NOTE

The Bill is a revision of *The Securities Act*.

The purpose of the revision is to:

- (a) implement the recommendations of The Report of The Canadian Committee on Mutual Funds and Investment Contracts;
- (b) establish a system providing continuous material information on the affairs of reporting issuers which, in turn, permits a more exhaustive and objective definition of when securities may be traded without restriction;
- (c) withdraw the exemption for take-overs by private agreement and those to be effected in the over-the-counter market while continuing the exemptions for take-overs through the facilities of a recognized stock exchange and bids for the shares of private companies;
- (d) require, where an issuer makes an offer to purchase its own securities, disclosure similar to that called for on take-over bids;
- (e) expand insider liability from insiders and their associates to include "tippees", i.e., anyone trading securities with knowledge of a material fact or change in respect of the issuer that has not been generally disclosed, to make the information, or "tipping", of another person or company of that material fact or change an offence and by parallel amendment remove insider reporting and liability from *The Business Corporations Act*;
- (f) require financial institutions, i.e., banks, loan and trust companies and insurance companies to obtain registration where, as either principal or agent, they trade in securities with the public while continuing the exemption from registration as dealer where banks and trust companies transmit unsolicited orders for execution through a registrant and the exemption of banks from registration as underwriter with respect to government and municipal securities;
- (g) require that financial institutions be subject to the continuous disclosure and insider reporting provisions of the legislation;
- (h) remove matters such as proxy solicitation generally regarded as corporate law from *The Securities Act* and, at the same time, by parallel amendments to *The Business Corporations Act* consolidate investor disclosure in *The Securities Act*;
- (i) amend some existing provisions of securities legislation in an effort to effectively achieve their purpose; and
- (j) reorganize *The Securities Act* into a more logical format leaving fundamental principles in the Act and the detailed implementation to the regulation making powers.

An Act to revise The Securities Act

HER MAJESTY, by and with advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

INTERPRETATION

1.—(1) In this Act,

Interpre-
tation

1. “adviser” means a person or company engaging in or holding himself or itself out as engaging in the business of advising others as to the investing in or the buying or selling of securities;
2. “associate”, where used to indicate a relationship with any person or company means,
 - i. any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all voting securities of the company for the time being outstanding,
 - ii. any partners of that person or company,
 - iii. any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity,
 - iv. any relative of such person, including his spouse, or of his spouse who has the same home as such person;
3. “Commission” means the Ontario Securities Commission;
4. “company” means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

5. "contract" includes a trust agreement, declaration of trust or other similar instrument;
6. "contractual plan" means any contract or other arrangement for the purchase of shares or units of a mutual fund by payments over a specified period or by a specified number of payments where the amount deducted from any one of the payments as sales charges is larger than the amount that would have been deducted from such payment for sales charges if deductions had been made from each payment at a constant rate for the duration of the plan;
7. "contractual plan service company" means a person or company that sponsors or administers a contractual plan other than a trust company registered under *The Loan and Trust Corporations Act*;
8. "dealer" means a person or company who trades in securities in the capacity of principal or agent;
9. "decision" means a direction, decision, order, ruling or other requirement made under a power or right conferred by this Act or the regulations;
10. "Director" means the Director or any Deputy Director of the Commission;
11. "director", where used in relation to a person, includes a person acting in a capacity similar to that of a director of a company;
12. "distribution", where used in relation to trading in securities, means,
 - i. a trade in securities of an issuer that have not been previously issued,
 - ii. a trade by or on behalf of an issuer in previously issued securities of that issuer that have been redeemed or purchased by or donated to that issuer,
 - iii. a trade in previously issued securities of an issuer from the holdings of any person, company or combination of persons or companies holding a sufficient number of any securities of that issuer to affect materially the control of that issuer, but any holding of any person, company or combination of persons and companies holding more than 20 per cent of the outstanding voting securities of an issuer

shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that issuer,

- iv. a trade in securities previously issued through an exemption in subsection 1 of section 73 that is not made in compliance with subsection 4, 5, 6 or 7 of section 73,
- v. the first trade in previously issued securities of a company that has ceased to be a private company,

and “distribute”, “distributed” and “distributing” have a corresponding meaning;

- 13. “distribution company” means a person or company distributing securities under a distribution contract;
- 14. “distribution contract” means a contract between a mutual fund or its trustees or other legal representative and a person or company under which that person or company is granted the right to purchase the shares or units of the mutual fund for distribution or to distribute the shares or units of the mutual fund on behalf of the mutual fund;
- 15. “file” means deliver to the Commission;
- 16. “form of proxy” means a written or printed form that, upon completion and execution by or on behalf of a security holder, becomes a proxy;
- 17. “individual” means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, or a natural person in his capacity as trustee, executor, administrator or other legal personal representative;
- 18. “insider” or “insider of a reporting issuer” means,
 - i. every director or senior officer of a reporting issuer,
 - ii. every director or senior officer of a company that is itself an insider or subsidiary of a reporting issuer,
 - iii. any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting

issuer or a combination of both carrying more than 10 per cent of the voting rights attached to all voting securities of the reporting issuer for the time being outstanding other than voting securities held by the person or company as underwriter in the course of a distribution, and

- iv. a reporting issuer where it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities;
- 19. "issuer" means a person or company who has outstanding, issues or proposes to issue, a security;
- 20. "management company" means a person or company who provides investment advice, under a management contract;
- 21. "management contract" means a contract under which a mutual fund is provided with investment advice, alone or together with administrative or management services, for valuable consideration;
- 22. "material", where used in relation to a fact or change, means a fact or change that would reasonably be expected to have a significant effect on the market price of a security of an issuer;
- 23. "Minister" means the Minister of Consumer and Commercial Relations or other member of the Executive Council to whom the administration of this Act may be assigned;
- 24. "misrepresentation" means,
 - i. an untrue statement of material fact, or
 - ii. an omission to state a material fact;
- 25. "mutual fund" includes an issuer of securities that entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer of the securities;
- 26. "officer" means the chairman, any vice-chairman of the board of directors, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, and the general manager of a company, and any other person

designated an officer of a company by by-law or similar authority, or any individual acting in a similar capacity on behalf of an issuer or registrant;

27. "person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;
28. "portfolio manager" means an adviser registered for the purpose of managing the investment portfolio of clients through discretionary authority granted by the clients;
29. "portfolio securities", where used in relation to a mutual fund, means securities traded within the last thirty days, held, or proposed to be purchased by the mutual fund;
30. "private company" means a company in whose constating document,
 - i. the right to transfer its shares is restricted,
 - ii. the number of its shareholders, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the company, were, while in that employment, and have continued after termination of that employment to be, shareholders of the company, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder, and
 - iii. any invitation to the public to subscribe for its securities is prohibited;
31. "promoter" means,
 - i. a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or
 - ii. a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10 per cent or more of any class of

securities of the issuer or 10 per cent or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially re-organizing the business;

32. "proxy" means a completed and executed form of proxy by means of which a security holder has appointed a person or company as his nominee to attend and act for him and on his behalf at a meeting of security holders;
33. "register" means register under this Act, and "registered" has a corresponding meaning;
34. "registrant" means a person or company registered or required to be registered under this Act;
35. "regulations" means the regulations made under this Act;
36. "reporting issuer" means an issuer,
 - i. that has issued voting securities on or after the 1st day of May, 1967 in respect of which a prospectus was filed and a receipt therefor obtained under a predecessor of this Act or in respect of which a securities exchange take-over bid circular was filed under a predecessor of this Act,
 - ii. that has filed a prospectus and obtained a receipt therefor under this Act or that has filed a securities exchange take-over bid circular under this Act,
 - iii. any of whose securities have been at any time since the coming into force of this Act listed and posted for trading on any stock exchange in Ontario recognized by the Commission, regardless of when such listing and posting for trading commenced,
 - iv. to which *The Business Corporations Act* applies and which, for the purposes of that Act, is offering its securities to the public, or
 - v. that is the company whose existence continues following the exchange of securities of a com-

pany by or for the account of such company with another company or the holders of the securities of that other company in connection with,

(a) a statutory amalgamation or arrangement; or

(b) a statutory procedure under which one company takes title to the assets of the other company that in turn loses its existence by operation of law, or under which the existing companies merge into a new company,

where one of the amalgamating or merged companies or the continuing company has been a reporting issuer for at least twelve months;

37. "salesman" means an individual who is employed by a dealer for the purpose of making trades in securities on behalf of the dealer;

38. "security" includes,

- i. any document, instrument or writing commonly known as a security,
- ii. any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any person or company,
- iii. any document constituting evidence of an interest in an association of legatees or heirs,
- iv. any document constituting evidence of an option, subscription or other interest in or to a security,
- v. any bond, debenture, note or other evidence of indebtedness, share, stock, unit, unit certificate, participation certificate, certificate of share or interest, pre-organization certificate, subscription or any agreement under which the interest of the purchaser is valued for purposes of conversion or surrender by reference to the value of a proportionate interest in a specified portfolio of assets,

- vi. any agreement providing that money received will be repaid or treated as a subscription to shares, stock, units or interests at the option of the recipient or of any person or company,
- vii. any certificate of share or interest in a trust, estate or association,
- viii. any profit-sharing agreement or certificate,
- ix. any certificate or interest in an oil, natural gas or mining lease, claim or royalty voting trust certificate,
- x. any oil or natural gas royalties or leases or fractional or other interest therein,
- xi. any collateral trust certificate,
- xii. any income or annuity contract not issued by an insurance company or an issuer within the meaning of *The Investment Contracts Act*,
- xiii. any investment contract, other than an investment contract within the meaning of *The Investment Contracts Act*,
- xiv. any document constituting evidence of an interest in a scholarship or educational plan or trust,
- xv. any document constituting evidence of an agreement purporting to grant an exclusive right to use or occupy any part of specific real property for residential, recreational or vacation purposes for a specific time or times within any specific period of time where the agreement contemplates the grant of the same or similar rights to other persons or companies on a time sharing basis with respect to the specific real property,
- xvi. any commodity futures option within the meaning of *The Commodity Futures Act, 1977* except where such commodity futures option is traded on a commodity futures exchange registered or recognized by the Commission under *The Commodity Futures Act, 1977*, and

R.S.O. 1970,
c. 226

1977, c. . . .

- xvii. any commodity futures contract other than a commodity futures contract within the meaning of *The Commodity Futures Act*, 1977, c. . . . 1977,

whether any of the foregoing relate to an issuer or proposed issuer;

39. "senior officer" means,

- i. the chairman or a vice-chairman of the board of directors, the president, a vice-president, the secretary, the treasurer or the general manager of a company or any other individual who performs functions for an issuer similar to those normally performed by an individual occupying any such office, and
- ii. each of the five highest paid employees of an issuer, including any individual referred to in subparagraph i;

40. "trade" or "trading" includes,

- i. any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, but does not include a purchase of a security,
- ii. any participation as a floor trader in any transaction in a security upon the floor of any stock exchange,
- iii. any receipt by a registrant of an order to buy or sell a security,
- iv. any transfer, pledge or encumbrancing of securities of an issuer from the holdings of any person or company or combination of persons or companies described in subparagraph iii of paragraph 12 for the purpose of giving collateral for a *bona fide* debt, and
- v. any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing;

41. "underwriter" means a person or company who, as principal, agrees to purchase securities with a view to distribution or who, as agent, offers for sale or sells securities in connection with a distribution and

includes a person or company who has a direct or indirect participation in any such distribution, but does not include,

- i. a person or company whose interest in the transaction is limited to receiving the usual and customary distributor's or seller's commission payable by an underwriter or issuer,
- ii. a mutual fund that, under the laws of the jurisdiction to which it is subject, accepts its shares or units for surrender and resells them,
- iii. a company that, under the laws of the jurisdiction to which it is subject, purchases its shares and resells them, or
- iv. a bank to which the *Bank Act* (Canada) applies with respect to the securities described in paragraph 1 of subsection 2 of section 35;

R.S.C. 1970,
c. B-1

42. "voting security" means any security other than a debt security of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Affiliated
companies

(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person or company.

Controlled
companies

(3) A company shall be deemed to be controlled by another person or company or by two or more companies if,

- (a) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.

Subsidiary
companies

(4) A company shall be deemed to be a subsidiary of another company if,

- (a) it is controlled by,
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or

(iii) two or more companies each of which is controlled by that other; or

(b) it is a subsidiary of a company that is that other's subsidiary.

(5) A person shall be deemed to own beneficially securities ^{Beneficial ownership of securities} beneficially owned by a company controlled by him or by an affiliate of such company.

(6) A company shall be deemed to own beneficially ^{Idem} securities beneficially owned by its affiliates.

(7) Every management company and every distribution company of a mutual fund that is a reporting issuer and every insider of such management company and distribution company shall be deemed to be an insider of the mutual fund. ^{Insider of mutual fund}

(8) Where an issuer becomes an insider of a reporting issuer, every director or senior officer of the issuer shall be deemed to have been an insider of the reporting issuer for the previous six months or for such shorter period that he was a director or senior officer of the issuer. ^{Issuer as insider of reporting issuer}

(9) Where a reporting issuer becomes an insider of any other reporting issuer, every director or senior officer of the second-mentioned reporting issuer shall be deemed to have been an insider of the first-mentioned reporting issuer for the previous six months or for such shorter period that he was a director or senior officer of the second-mentioned reporting issuer. R.S.O. 1970, c. 426, s. 1, *amended*. ^{Reporting issuer as insider of other reporting issuer}

PART I

THE COMMISSION

2.—(1) The Commission is continued and is responsible ^{Commission} for the administration of this Act.

(2) The Commission shall be composed of a Chairman and not more than eight other members, appointed by the Lieutenant Governor in Council, one of whom shall be designated as Vice-Chairman. ^{Appointment}

(3) Two members of the Commission constitute a quorum. ^{Quorum} R.S.O. 1970, c. 426, s. 2, *amended*.

Chairman
and members

3.—(1) The Chairman shall be the chief executive officer of the Commission and shall devote his full time to the work of the Commission, and the other members shall devote such time as may be necessary for the due performance of their duties as members of the Commission.

Delegation
of powers

(2) The Chairman, Vice-Chairman or any member of the Commission may exercise the powers and shall perform such duties vested in or imposed upon the Commission by this Act or the regulations as are assigned to him by the Commission.

Eligibility
to sit on
hearing

(3) Where the person who exercises the powers and performs the duties vested in the Commission by sections 11 to 17 pursuant to an assignment under subsection 2, receives the report of an investigation ordered under section 11 and on the basis of such report issues an *ex parte* order or a direction that proceedings be instituted by the Commission under section 26, 71, 126 or 127 such person shall not sit on the hearing required to be held by the Commission except with the written consent of the party directly affected by the proceedings.

Review

(4) Every decision made pursuant to an assignment under subsection 2 is subject to review by the Commission under section 8 in the same manner as if it had been made by the Director, and the person who made the decision shall not sit on the hearing and review thereof by the Commission. R.S.O. 1970, c. 426, s. 3, *amended*.

PART II

FINANCIAL DISCLOSURE ADVISORY BOARD

Financial
Disclosure
Advisory
Board

4.—(1) The Financial Disclosure Advisory Board established under *The Securities Act*, being chapter 426 of the Revised Statutes of Ontario, 1970, is continued and shall be composed of not more than five members appointed by the Lieutenant Governor in Council, and the Lieutenant Governor in Council may designate one of the members to be chairman.

Meetings

(2) The Financial Disclosure Advisory Board shall meet at the call of the Commission.

(3) The Financial Disclosure Advisory Board shall, when ^{Duties} requested by the Commission, consult with and advise the Commission concerning the financial disclosure requirements of this Act and the regulations.

(4) The members of The Financial Disclosure Advisory Board shall serve without remuneration, but the Lieutenant Governor in Council may fix a *per diem* allowance to be payable to each member, and every member is entitled to his reasonable and necessary expenses, as certified by the chairman, for attending at meetings and transacting the business of the Board. R.S.O. 1970, c. 426, s. 146, *amended*. ^{Remuneration}

PART III

APPOINTMENT OF EXPERTS

5.—(1) The Commission may appoint one or more experts ^{Appointment of experts} to assist the Commission in such manner as it may consider expedient.

(2) The Commission may submit any agreement, prospectus, financial statement, report or other document to one or more experts appointed under subsection 1 for examination, and the Commission has the like power to summon and enforce the attendance of witnesses before the expert and to compel them to produce documents, records and things as is vested in the Commission, and subsections 3 and 4 of section 11 apply *mutatis mutandis*. ^{Submissions to experts}

(3) An expert appointed under subsection 1 shall be paid ^{Payment of experts} such amounts for services and expenses as the Lieutenant Governor in Council may determine. *New.*

PART IV

THE DIRECTOR

6. The Director may exercise the powers and shall perform ^{Director} the duties vested in or imposed upon him by this Act, and he may exercise the powers and shall perform the duties vested in or imposed upon the Commission by this Act or the regulations that are assigned to him by the Commission except those referred to in section 8 and sections 11 to 17

and, subject to the direction of the Commission, he is the chief administrative officer of the Commission. R.S.O. 1970, c. 426, s. 4.

Refunds

7. Where,

(a) an application for registration or renewal of registration is abandoned; or

(b) a preliminary prospectus or prospectus is withdrawn,

the Director may, upon the application of the person or company who made the application or filed the preliminary prospectus or prospectus, recommend to the Treasurer of Ontario that a refund of the fee paid on the making of the application or the filing of the preliminary prospectus or prospectus or such part thereof as he considers fair and reasonable be made, and the Treasurer may make such refund from the Consolidated Revenue Fund. R.S.O. 1970, c. 426, s. 17.

PART V

ADMINISTRATIVE PROCEEDINGS, REVIEWS AND APPEALS

Notification
of decision

8.—(1) The Director shall forthwith notify the Commission of every decision refusing registration under section 25 or refusing to issue a receipt for a prospectus under section 62 and the Commission may within thirty days of the decision notify the Director and any person or company directly affected of its intention to convene a hearing to review the decision. *New.*

Review
of Director's
decisions

(2) Any person or company directly affected by a decision of the Director may, by notice in writing sent by registered mail to the Commission within thirty days after the mailing of the notice of the decision, request and be entitled to a hearing and review thereof by the Commission.

Power on
review

(3) Upon a hearing and review, the Commission may by order confirm the decision under review or make such other decision as the Commission considers proper. R.S.O. 1970, c. 426, s. 28; 1971, c. 31, s. 5.

(4) Notwithstanding that a person or company requests ^{Stay} a hearing and review under subsection 2 of this section or subsection 4 of section 3, the decision under review takes effect immediately, but the Commission may grant a stay until disposition of the hearing and review. 1973, c. 11, s. 1.

9.—(1) Any person or company directly affected by a ^{Appeal} decision of the Commission, other than a decision under section 75, may appeal to the Supreme Court.

(2) Notwithstanding that an appeal is taken under this ^{Stay} section, the decision appealed from takes effect immediately, but the Commission or the Divisional Court may grant a stay until disposition of the appeal.

(3) The Secretary shall certify to the Registrar of the ^{Certification of documents} Supreme Court,

- (a) the decision that has been reviewed by the Commission;
- (b) the decision of the Commission, together with any statement of reasons therefor;
- (c) the record of the proceedings before the Commission; and
- (d) all written submissions to the Commission or other material that is relevant to the appeal.

(4) The Minister is entitled to be heard by counsel or ^{Minister entitled to appear} otherwise upon the argument of an appeal under this section.

(5) Where an appeal is taken under this section, the court ^{Powers of court on appeal} may by its order direct the Commission to make such decision or to do such other act as the Commission is authorized and empowered to do under this Act or the regulations and as the court considers proper, having regard to the material and submissions before it and to this Act and the regulations, and the Commission shall make such decision or do such act accordingly.

(6) Notwithstanding an order of the court, on an appeal, ^{Further decisions} the Commission may make any further decision upon new material or where there is a significant change in the

circumstances, and every such decision is subject to this section. 1973, c. 11, s. 2, *amended*.

Secretary

10.—(1) There shall be a Secretary to the Commission who may,

- (a) accept service of all notices or other documents on behalf of the Commission;
- (b) when authorized by the Commission, sign any decision made by the Commission as a result of a hearing;
- (c) certify under his hand any decision made by the Commission or any document, record or thing used in connection with any hearing by the Commission where certification is required for a purpose other than that stated in subsection 3 of section 9; and
- (d) exercise such other powers as are vested in him by this Act or the regulations and perform such other duties as are imposed upon him by this Act or the regulations or by the Commission.

Acting
Secretary

(2) Where the Secretary is absent for any reason, the Commission may designate another individual to act in the capacity of Secretary and the individual designated may exercise all the powers vested in the Secretary by this Act or the regulations.

Certification
by Secretary

(3) A certificate purporting to be signed by the Secretary is, without proof of the office or signature certifying, admissible in evidence, so far as is relevant, for all purposes in any action, proceeding or prosecution. *New*.

PART VI

INVESTIGATIONS

Investigation
order

11.—(1) Where upon a statement made under oath it appears probable to the Commission that any person or company has,

- (a) contravened any of the provisions of this Act or the regulations; or

- (b) committed an offence under the *Criminal Code* (Canada) in connection with a trade in securities,

the Commission may, by order, appoint any person to make such investigation as it deems expedient for the due administration of this Act, and in the order shall determine and prescribe the scope of the investigation.

(2) The Commission may, by order, appoint any person to make such investigation as it deems expedient for the due administration of this Act or into any matter relating to trading in securities, and in such order shall determine and prescribe the scope of the investigation. ^{Investigation order}

(3) For the purposes of any investigation ordered under this section, the person appointed to make the investigation may investigate, inquire into and examine, ^{Scope of investigation}

(a) the affairs of the person or company in respect of whom the investigation is being made and any books, papers, documents, correspondence, communications, negotiations, transactions, investigations, loans, borrowings and payments to, by, on behalf of or in relation to or connected with the person or company and any property, assets or things owned, acquired or alienated in whole or in part by the person or company or by any person or company acting on behalf of or as agent for the person or company; and

(b) the assets at any time held, the liabilities, debts, undertakings and obligations at any time existing, the financial or other conditions at any time prevailing in or in relation to or in connection with the person or company and the relationship that may at any time exist or have existed between the person or company and any other person or company by reason of investments, commissions promised, secured or paid, interests held or acquired, the loaning or borrowing of money, stock or other property, the transfer, negotiation or holding of stock, interlocking directorates, common control, undue influence or control or any other relationship.

(4) The person making an investigation under this section has the same power to summon and enforce the attendance of witnesses and compel them to give evidence on oath or otherwise, and to produce documents, records and things, as is vested in the Supreme Court for the trial of civil actions, and the failure or refusal of a person to attend, to answer ^{Powers to summon witnesses and require production}

R.S.O. 1970,
c. 151

questions or to produce such documents, records and things as are in his custody or possession makes the person liable to be committed for contempt by a judge of the Supreme Court as if in breach of an order or judgment of the Supreme Court provided that no provision of *The Evidence Act* exempts any bank or any officer or employee thereof from the operation of this section.

Counsel

(5) A person giving evidence at an investigation under this section may be represented by counsel.

Seizure
of property

(6) Where an investigation is ordered under this section, the person appointed to make the investigation may seize and take possession of any documents, records, securities or other property of the person or company whose affairs are being investigated.

Inspection
of seized
documents

(7) Where any documents, records, securities or other property are seized under subsection 6, the documents, records, securities or other property shall be made available for inspection and copying by the person or company from whom seized at a mutually convenient time and place if a request for an opportunity to inspect or copy is made by the person or company to the person appointed to make the investigation.

Accountants
and experts

(8) Where an investigation is ordered under this section, the Commission may appoint an accountant or other expert to examine documents, records, properties and matters of the person or company whose affairs are being investigated. R.S.O. 1970, c. 426, s. 21 (1-8).

Report of
investigation

(9) Every person appointed under subsection 1, 2 or 8 shall provide the Commission with a full and complete report of the investigation including any transcript of evidence and material in his possession relating to the investigation. R.S.O. 1970, c. 426, s. 21 (9), *amended*.

Report to
Minister

12. Where upon the report of an investigation made under section 11 it appears to the Commission that any person or company may have,

(a) contravened any of the provisions of this Act or the regulations; or

R.S.C. 1970,
c. C-34

(b) committed an offence under the *Criminal Code* (Canada) in connection with a transaction relating to securities,

the Commission shall send a full and complete report of the investigation, including the report made to it, any transcript

of evidence and any material in the possession of the Commission relating thereto, to the Minister. R.S.O. 1970, c. 426, s. 22.

13. Notwithstanding section 11, the Minister may, by order, ^{Investigation by order of Minister} appoint any person to make such investigation as the Minister considers expedient for the due administration of this Act or into any matter relating to trading in securities, in which case the person so appointed, for the purposes of the investigation, has the same authority, powers, rights, and privileges as a person appointed under section 11. R.S.O. 1970, c. 426, s. 23.

14. No person, without the consent of the Commission, ^{Evidence not to be disclosed} shall disclose, except to his counsel, any information or evidence obtained or the name of any witness examined or sought to be examined under section 11 or 13.

15. Where an investigation has been made under section 11, the Commission may, and, where an investigation has been made under section 13, the person making the investigation shall report the result thereof, including the evidence, findings, comments and recommendations, to the Minister, and the Minister may cause the report to be published in whole or in part in such manner as he considers proper. R.S.O. 1970, c. 426, s. 25. ^{Report to Minister}

16.—(1) The Commission may,

^{Order to freeze property}

- (a) where it is about to order an investigation in respect of a person or company under section 11 or during or after an investigation in respect of a person or company under section 11 or 13;
- (b) where it is about to make or has made an order under section 126 that trading in securities of an issuer shall cease;
- (c) where it is about to make or has made a decision suspending or cancelling the registration of any person or company or affecting the right of any person or company to trade in securities; or
- (d) where criminal proceedings or proceedings in respect of a contravention of this Act or the regulations are about to be or have been instituted against any person or company, that in the opinion of the Commission are connected with or arise out of any

security or any trade therein, or out of any business conducted by the person or company,

in writing or by telegram direct any person or company having on deposit or under control or for safekeeping any funds or securities of the person or company referred to in clause *a, b, c* or *d* to hold such funds or securities or direct the person or company referred to in clause *a, b, c* or *d* to refrain from withdrawing any such funds or securities from any other person or company having any of them on deposit, under control or for safekeeping or to hold all funds or securities of clients or others in his possession or control in trust for any interim receiver, custodian, trustee, receiver or liquidator appointed under the *Bankruptcy Act* (Canada), *The Judicature Act*, *The Corporations Act*, *The Business Corporations Act*, the *Winding-up Act* (Canada) or section 17 of this Act, or until the Commission in writing revokes the direction or consents to release any particular fund or security from the direction, provided that no such direction applies to funds or securities in a stock exchange clearing house or to securities in process of transfer by a transfer agent unless the direction expressly so states, and in the case of a bank, loan or trust company, the direction applies only to the offices, branches or agencies thereof named in the direction.

R.S.C. 1970,
cc. B-3, W-10,
R.S.O. 1970,
cc. 228, 89, 53

Application
for
directions

(2) Any person or company named in a direction issued under subsection 1 may, if in doubt as to the application of the direction to particular funds or securities, apply to the Commission for an order of clarification. R.S.O. 1970, c. 426, s. 26 (1, 2), *amended*.

Revocation
or
amendment
of direction

(3) Upon the application of a person or company directly affected by a direction issued under subsection 1, the Commission may make an order on such terms and conditions it may impose revoking the direction or consenting to the release of any fund or security. *New*.

Notice to
land registry
offices

(4) In any of the circumstances mentioned in clause *a, b, c*, or *d* of subsection 1, the Commission may in writing or by telegram notify any land registrar or mining recorder that proceedings are being or are about to be taken that may affect land or mining claims belonging to the person or company referred to in the notice, which notice shall be registered or recorded against the lands or claims mentioned therein and has the same effect as the registration or recording of a certificate of *lis pendens* or a caution, and the Commission may in writing revoke or modify the notice. R.S.O. 1970, c. 426, s. 26 (3), *amended*.

17.—(1) The Commission may,

Appointment
of receiver,
etc.

- (a) where it is about to order an investigation in respect of a person or company under section 11 or during or after an investigation in respect of a person or company under section 11 or 13;
- (b) where it is about to make or has made an order under section 126 that trading in securities of an issuer shall cease;
- (c) where it is about to make or has made a decision suspending or cancelling the registration of any person or company or affecting the right of any person or company to trade in securities;
- (d) where criminal proceedings or proceedings in respect of a contravention of this Act or the regulations are about to be or have been instituted against any person or company that in the opinion of the Commission are connected with or arise out of any security or any trade therein, or out of any business conducted by the person or company; or
- (e) where a person or company fails or neglects to comply with the minimum net asset requirements, investment restrictions, ownership restrictions, or capital requirements prescribed by the regulations for the person or company,

apply to a judge of the Supreme Court for the appointment of a receiver, receiver and manager, trustee or liquidator of the property of the person or company.

(2) Upon an application under subsection 1, the judge may, where he is satisfied that the appointment of a receiver, receiver and manager, trustee or liquidator of all or any part of the property of any person or company is in the best interests of the creditors of the person or company or of persons or companies any of whose property is in the possession or under the control of the person or company, or, in a proper case, of the security holders of or subscribers to the person or company, appoint a receiver, receiver and manager, trustee or liquidator of the property of the person or company. R.S.O. 1970, c. 426, s. 27 (1, 2), *amended*.

Appointment

(3) Upon an *ex parte* application made by the Commission under this section, the judge may make an order under subsection 2 appointing a receiver, receiver and manager, trustee or liquidator for a period not exceeding fifteen days. R.S.O. 1970, c. 426, s. 27 (3), *amended*.

Ex parte
application

Powers of
receiver, etc.

(4) A receiver, receiver and manager, trustee or liquidator of the property of any person or company appointed under this section shall be the receiver, receiver and manager, trustee or liquidator of all or any part of the property belonging to the person or company or held by the person or company on behalf of or in trust for any other person or company, and the receiver, receiver and manager, trustee or liquidator shall have authority, if so directed by the judge, to wind up or manage the business and affairs of the person or company and all powers necessary or incidental thereto.

Enforcement
of order

(5) An order made under this section may be enforced in the same manner as any order or judgment of the Supreme Court and may be varied or discharged upon an application made by notice.

Rules of
practice

(6) Upon an application made under this section, the rules of practice of the Supreme Court apply. R.S.O. 1970, c. 426, s. 27 (4-6), *amended*.

PART VII

AUDITS

Audits by
Commission

18.—(1) Notwithstanding anything in sections 19, 20 and 21, the Commission may in writing appoint any person to examine at any time,

- (a) the financial affairs of a registrant or a reporting issuer; and
- (b) the books and records of a custodian of assets of a mutual fund or of a custodian of shares or units of a mutual fund under a custodial agreement or other arrangement with a person or company engaged in the distribution of shares or units of the mutual fund,

and prepare such financial or other statements and reports that may be required by the Commission.

Access to
records

(2) The person making an examination under this section may inquire into and examine all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the person or company whose financial affairs are being examined, and no person or company shall withhold, destroy, conceal or refuse to give any information or thing reasonably required for the purpose of the examination.

Fees

(3) The Commission may charge such fees as may be prescribed by the regulations for any examination made under this section. R.S.O. 1970, c. 426, s. 33, *amended*.

PART VIII

SELF-REGULATION—GENERALLY

19. Every stock exchange in Ontario recognized by the Commission, the Ontario District of the Investment Dealers' Association of Canada and the Broker-Dealers' Association of Ontario, shall, Panel of auditors

- (a) select a panel of auditors, each of whom shall have practised as such in Ontario for not fewer than five years and shall be known as a panel auditor or members' auditor; and
- (b) employ an exchange auditor, district association auditor or association auditor, as the case may be, whose appointment is subject to the approval of the Commission, and the appointee shall be an auditor who has practised as such in Ontario for not fewer than ten years. R.S.O. 1970, c. 426, s. 30.

20.—(1) Every stock exchange in Ontario recognized by the Commission, the Ontario District of the Investment Dealers' Association of Canada and the Broker-Dealers' Association of Ontario shall cause each member of such class or classes of their members as the Commission may designate in writing to appoint an auditor from the panel of auditors selected under clause *a* of section 19 and such auditor shall make the examination of the financial affairs of such member as called for by the by-laws, rules or regulations applicable to members of such class or classes and shall report thereon to the exchange auditor, district association auditor or association auditor, as the case may be. Audits by stock exchange and associations

(2) The by-laws, rules and regulations of every stock exchange in Ontario recognized by the Commission, the rules and regulations of the Ontario District of the Investment Dealers' Association of Canada and the regulations of the Broker-Dealers' Association of Ontario in respect of the practice and procedure of the examinations under subsection 1 are subject to the approval of the Commission and the actual conduct of the examinations shall be satisfactory to the Commission. R.S.O. 1970, c. 426, s. 31. Audit by-laws subject to approval

21. Every registrant whose financial affairs are not subject to examination under section 20 shall keep such books and records as are necessary for the proper recording of his business transactions and financial affairs and shall deliver to the Commission annually and at such other time or times as the Commission may require a financial statement Filing of financial statements of registrants

satisfactory to the Commission as to his financial position, certified by the registrant or an officer or partner of the registrant and reported upon by the auditor of the registrant, and shall deliver to the Commission such other information as the Commission may require in such form as it may prescribe. R.S.O. 1970, c. 426, s. 32.

PART IX

STOCK EXCHANGES

Stock
exchanges

22.—(1) No person or company shall carry on business as a stock exchange in Ontario unless such stock exchange is recognized in writing as such by the Commission.

Commission's
powers

(2) The Commission may, where it appears to it to be in the public interest, make any decision,

- (a) with respect to the manner in which any stock exchange in Ontario carries on business;
- (b) with respect to any by-law, ruling, instruction, or regulation of any such stock exchange;
- (c) with respect to trading on or through the facilities of any such stock exchange or with respect to any security listed and posted for trading on any such stock exchange; or
- (d) to ensure that issuers whose securities are listed and posted for trading on any such stock exchange comply with this Act and the regulations.

Review of
decisions of
stock
exchange

(3) Any person or company directly affected by any direction, order or decision made under any by-law, rule or regulation of a stock exchange in Ontario may apply to the Commission for a hearing and review thereof and section 8 applies to the hearing and review in the same manner as to the hearing and review of a decision of the Director. R.S.O. 1970, c. 426, s. 140.

Record of
transactions

23. Every stock exchange in Ontario shall keep a record showing the time at which each transaction on such stock exchange took place and shall supply to any customer of any member of such stock exchange, upon production of a written confirmation of any transaction with such member, particulars of the time at which the transaction took place and verification or otherwise of the matters set forth in the confirmation. R.S.O. 1970, c. 426, s. 141.

PART X

REGISTRATION

24.—(1) No person or company shall,

Registration
for trading

- (a) trade in a security unless the person or company is registered as a dealer, or is registered as a salesman or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer;
- (b) act as an underwriter unless the person or company is registered as an underwriter;
- (c) act as an adviser unless the person or company is registered as an adviser, or is registered as a partner or as an officer of a registered adviser and is acting on behalf of the adviser;
- (d) act as a mutual fund unless the person or company is registered as a mutual fund;
- (e) act as a management company unless the person or company is registered as a management company;
or
- (f) act as a contractual plan service company unless the person or company is registered as a contractual plan service company,

and the registration has been made in accordance with this Act and the regulations and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions. R.S.O. 1970, c. 426, s. 6 (1).

(2) The termination of the employment of a salesman with a registered dealer shall operate as a suspension of the registration of the salesman until notice in writing has been received by the Director from another registered dealer of the employment of the salesman by the other registered dealer and the reinstatement of the registration has been approved by the Director.

Termination
re salesman

Non-trading
employee

(3) The Director may designate as non-trading any employee or class of employees of a registered dealer that does not usually sell securities, but the designation may be cancelled as to any employee or class of employees where the Director is satisfied that any such employee or any member of such class of employees should be required to apply for registration as a salesman. R.S.O. 1970, c. 426, s. 6 (4, 5).

Granting of
registration

25.—(1) The Director shall grant registration, renewal of registration, reinstatement of registration or amendment to registration to an applicant where in the opinion of the Director the applicant is suitable for registration and the proposed registration or amendment to registration is not objectionable. R.S.O. 1970, c. 426, s. 7 (1), *amended*.

Terms and
conditions

(2) The Director may in his discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing, may restrict the duration of a registration and may restrict the registration to trades in certain securities or a certain class of securities. R.S.O. 1970, c. 426, s. 7 (3).

Refusal

(3) The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard. R.S.O. 1970, c. 426, s. 7 (2).

Suspension,
cancellation,
etc.

26.—(1) The Commission, after giving a registrant an opportunity to be heard, may suspend, cancel, restrict or impose terms and conditions upon the registration or reprimand the registrant where in its opinion such action is in the public interest.

Interim
suspension

(2) Where the delay necessary for a hearing under subsection 1 would, in the opinion of the Commission, be prejudicial to the public interest, the Commission may suspend the registration without giving the registrant an opportunity to be heard, in which case it shall forthwith notify the registrant of the suspension and of a hearing and review to be held before the Commission within fifteen days of the date of the suspension, which hearing and review shall be deemed to be a hearing and review under section 8. R.S.O. 1970, c. 426, s. 8, *amended*.

Surrender

(3) Notwithstanding subsection 1, the Commission may, upon an application by a registrant, accept, subject to such terms and conditions as it may impose, the voluntary surrender of the registration of the registrant where it is satisfied the financial obligations of the registrant to its clients have been discharged and the surrender of the registration would not be prejudicial to the public interest. *New.*

27. A further application for registration may be made ^{Subsequent applications} upon new or other material or where it is clear that material circumstances have changed. R.S.O. 1970, c. 426, s. 9.

28. An application for registration shall be made in ^{Application} writing upon a form prescribed by the regulations and provided by the Commission, and shall be accompanied by such fee as may be prescribed by the regulations. R.S.O. 1970, c. 426, s. 10.

29. Every applicant shall state in the application an address ^{Address for service} for service in Ontario and, except as otherwise provided in this Act, all notices under this Act or the regulations are sufficiently served for all purposes if delivered or sent by prepaid mail to the latest address for service so stated. R.S.O. 1970, c. 426, s. 11.

30. The Director may require any further information or ^{Further information} material to be submitted by an applicant or a registrant within a specified time and may require verification by affidavit or otherwise of any information or material then or previously submitted or may require the applicant or the registrant or any partner, officer, director, governor or trustee of, or any person performing a like function for, or any employee of, the applicant or of the registrant to submit to examination under oath by a person designated by the Director. R.S.O. 1970, c. 426, s. 12, *amended*.

31.—(1) The Director may refuse registration to an ^{Residence} individual if he has not been a resident of Canada for at least one year immediately prior to the date of application for registration and if he is not a resident of Ontario at the date of the application unless at the time of the application the individual is registered in a capacity corresponding to that of a dealer, adviser, underwriter, mutual fund, management company, contractual plan service company, partner, officer, or salesman under the securities laws of the jurisdiction in which he last resided and has been so registered for a period of not less than one year immediately preceding the date of the application and is, in the opinion of the Director, otherwise suitable for registration.

(2) The Director may refuse registration to a person or ^{Idem} company if any director or officer of the person or company has not been a resident of Canada for at least one year immediately prior to the date of application for registration and is not a resident of Ontario at the date

of the application unless at the time of the application he is registered in a capacity corresponding to that of a dealer, adviser, underwriter, mutual fund, management company, contractual plan service company, partner, officer or salesman under the securities laws of the jurisdiction in which he last resided and has been so registered for a period of not less than one year immediately preceding the date of the application and is, in the opinion of the Director, otherwise suitable for registration. R.S.O. 1970, c. 426, s. 14, *amended*.

Notice of
changes

32.—(1) Every registered dealer shall, within five days of the event, notify the Director in the form prescribed by the regulations of,

- (a) any change in address for service in Ontario or any business address;
- (b)
 - (i) any change in the directors or officers of the registered dealer and in the case of resignation, dismissal, severance or termination of employment or office, the reason therefor, and
 - (ii) any change in the holders of the voting securities of the registered dealer;
- (c) the commencement and termination of employment of every salesman and, in the case of termination of employment, the reason therefor;
- (d) the opening or closing of any branch office in Ontario and, in the case of the opening of any branch office in Ontario, the name and address of the person in charge thereof; and
- (e) any change in the name or address of the person in charge of any branch office in Ontario.

Idem

(2) Every registered adviser, underwriter, mutual fund, management company, and contractual plan service company shall, within five days of the event, notify the Director in the form prescribed by the regulations of,

- (a) any change in address for service in Ontario or any business address; and
- (b)
 - (i) any change in the directors or officers of the registered adviser, underwriter, mutual fund, management company or contractual plan service company and in the case of resignation, dismissal, severance or termination of employment or office, the reason therefor, and

- (ii) any change in the holders of the voting securities of the registered adviser, underwriter, mutual fund, management company or contractual plan service company.

(3) Every registered salesman shall, within five days of the ^{Idem} event, notify the Director in the form prescribed by the regulations of,

- (a) any change in his address for service in Ontario or in his business address; and
- (b) every commencement and termination of his employment by a registered dealer.

(4) The Director may, upon an application of a registrant ^{Exemptions} that is a reporting issuer, exempt, subject to such terms and conditions as he may impose, the registrant from the requirement of subsections 1 and 2 that the Director be notified of any change in the holders of voting securities of the registrant where in his opinion it would not be prejudicial to the public interest to do so. R.S.O. 1970, c. 426, s. 15, *amended*.

PART XI

EXEMPTIONS FROM REGISTRATION REQUIREMENTS

33. Registration as an adviser is not required to be ^{Exemptions of advisers} obtained by,

- (a) a bank to which the *Bank Act* (Canada) applies, or the Federal Business Development Bank incorporated under the *Federal Business Development Bank Act* (Canada), or a trust company registered under *The Loan and Trust Corporations Act*, or an insurance company licensed under *The Insurance Act*; ^{R.S.C. 1970, c. B-1, 1974-75, c. 14 (Can.)}
- (b) a lawyer, accountant, engineer or teacher;
- (c) a registered dealer, or any partner, officer or employee thereof; and
- (d) a publisher of or any writer for any *bona fide* newspaper, news magazine or business or financial publication of general and regular paid circulation distributed only to subscribers thereto for value or to purchasers thereof, who gives advice as an adviser only through such publication and has no interest either directly or indirectly in any of the securities upon which the advice is given and receives no

commission or other consideration for giving the advice,

where the performance of the service as an adviser is solely incidental to their principal business or occupation; or

(e) a management company; or

(f) such other persons or companies as are designated by the regulations. R.S.O. 1970, c. 426, s. 18, *amended*.

Exemptions
of mutual
funds

34. Registration as a mutual fund is not required to be obtained by,

(a) an investment club if,

- i. its shares or units are held by not more than fifty persons,
- ii. it does not pay or give any remuneration under a management contract or in respect of any trade in securities except normal brokerage fees, and
- iii. all of its members are required to make contributions in proportion to the shares or units each holds for the purpose of investment;

R.S.O. 1970,
c. 254

(b) a trust company registered under *The Loan and Trust Corporations Act* that issues securities in respect of,

- i. a pooled fund maintained solely to serve its registered retirement savings plans, registered home ownership savings plans, or other savings plans registered under the *Income Tax Act* (Canada),
- ii. a common trust fund as defined by subsection 1 of section 85 of *The Loan and Trust Corporations Act*, or
- iii. a pooled fund maintained by a trust company in which moneys belonging to various trusts in its care are commingled with the authority of the settlor, testator or trustee for the purpose of facilitating investment;

1970-71,
c. 68 (Can.)

R.S.O. 1970,
c. 224

(c) an insurance company licensed under the *Insurance Act*;

- (d) such other persons or companies as are designated by the regulations. *New.*

35.—(1) Subject to the regulations, registration is not required in respect of the following trades: Exemption
of trades

1. A trade by an executor, administrator, guardian or committee or by an authorized trustee or assignee, an interim or official receiver or a custodian under the *Bankruptcy Act* (Canada) or by a receiver under *The Judicature Act* or by a liquidator under *The Corporations Act*, *The Business Corporations Act*, or the *Winding-up Act* (Canada), or at a judicial sale. R.S.C. 1970,
cc. B-3, W-10
R.S.O. 1970,
cc. 228, 89, 53
2. An isolated trade in a specific security by or on behalf of an owner or issuer, for the owner's or issuer's account, where the trade is not made in the course of continued and successive transactions of a like nature, and is not made by a person or company whose usual business is trading in securities.
3. A trade where the party purchasing as principal is,
 - i. a bank to which the *Bank Act* (Canada) applies, or the Federal Business Development Bank incorporated under the *Federal Business Development Bank Act* (Canada), R.S.C. 1970,
c. B-1,
1974-75,
c. 14 (Can.)
 - ii. a loan corporation or trust company registered under *The Loan and Trust Corporations Act*, R.S.O. 1970,
c. 254
 - iii. an insurance company licensed under *The Insurance Act*, R.S.O. 1970,
c. 224
 - iv. Her Majesty in right of Canada or any province or territory of Canada, or
 - v. any municipal corporation or public board or commission in Canada.
4. A trade where the party purchasing as principal is a company or a person, other than an individual, and is recognized by the Commission as an exempt purchaser.
5. A trade where the purchaser purchases as principal, if the trade is in a security which has an aggregate acquisition cost to such purchaser of not less than \$97,000.

6. A trade from the holdings of any person, company or combination of persons or companies described in subparagraph iii of paragraph 12 of subsection 1 of section 1 for the purpose of giving collateral for a *bona fide* debt.
7. A trade by or for the account of a pledgee, mortgagee or other encumbrancer for the purpose of liquidating a *bona fide* debt by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt.
8. A trade in a security that may occasionally be transacted by employees of a registered dealer where the employees do not usually sell securities and have been designated by the Director as non-trading employees, either individually or as a class.
9. A trade between a person or company and an underwriter acting as purchaser or between or among underwriters.
10. A trade in a security by a person or company,
 - (a) acting solely through an agent who is a registered dealer; or
 - (b) who places an unsolicited order to purchase or sell with,
 - i. a bank to which the *Bank Act* (Canada) applies, or
 - ii. a trust company registered under *The Loan and Trust Corporations Act*,

for execution through an agent who is a registered dealer.
11. A trade by an issuer,
 - i. in a security of its own issue that is distributed by it to holders of its securities as a stock dividend or other distribution out of earnings or surplus,
 - ii. in a security whether of its own issue or not that is distributed by it to holders of its

R.S.C. 1970,
c. B-1

R.S.O. 1970,
c. 254

securities as incidental to a *bona fide* re-organization or winding up of such issuer or distribution of its assets for the purpose of winding up its affairs pursuant to the laws of the jurisdiction in which the issuer is incorporated, organized or continued,

- iii. in a right, transferable or otherwise, granted by the issuer to holders of its securities to purchase additional securities of its own issue and the issue of securities pursuant to the exercise of the right if the issuer has given the Commission written notice stating the date, amount, nature and conditions of the proposed sale, including the approximate net proceeds to be derived by the issuer on the basis of such additional securities being fully taken up and paid for, and either,
 - (a) the Commission has not informed the issuer in writing within ten days of the giving of the notice that it objects to the proposed trade; or
 - (b) the issuer has delivered to the Commission information relating to the security that is satisfactory to, and accepted by, the Commission, or
- iv. in securities of its own issue, or those of a reporting issuer held by it, transferred or issued through the exercise of a right to purchase, convert or exchange previously granted by the issuer,

provided that, with respect to any trade referred to in subparagraph i or ii, no commission or other remuneration is paid or given to others in respect of the distribution except for ministerial or professional services or for services performed by a registered dealer.

- 12. A trade in a security of a company that is exchanged by or for the account of the company with another company or the holders of the securities of that other company in connection with,

- (a) a statutory amalgamation or arrangement;
- or

- (b) a statutory procedure under which one company takes title to the assets of the other company which in turn loses its existence by operation of law, or under which the existing companies merge into a new company.
13. A trade in a security of a company that is exchanged by or for the account of the company with the security holders of another company in connection with a take-over bid as defined in Part XIX.
 14. A trade in a security of an issuer in connection with a take-over bid exempted from the requirements of Part XIX by subsection 2 of section 90.
 15. A trade by an issuer in a security of its own issue as consideration for a portion or all of the assets of any person or company, if the fair value of the assets so purchased is not less than \$100,000.
 16. A trade by an issuer in the securities of its own issue with its employees or the employees of an affiliate who are not induced to purchase by expectation of employment or continued employment.
 17. A trade made between an issuer in securities of its own issue and not more than twenty-five purchasers or made between such purchasers if each of the following requirements is satisfied,
 - i. each purchaser purchases as principal,
 - ii. each purchaser,
 - (a) is an investor who, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a registered adviser, is able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer or has access to substantially the same information concerning the issuer which the filing of a prospectus under this Act would provide; or
 - (b) is a senior officer or director of the issuer or his spouse, parent, brother, sister, or child,

- iii. the offer and sale of the securities are not accompanied by an advertisement and no selling or promotional expenses have been paid or incurred in connection therewith, except for professional services or for services performed by a registered dealer,
- iv. solicitations in respect of the securities have not been made to more than fifty prospective purchasers, and
- v. there are not more than twenty-five beneficial owners of securities as a result of trades pursuant to this exemption.

18. A trade in a commodity futures option or a commodity futures contract where such trade is a *bona fide* hedging transaction within the meaning of *The Commodity Futures Act, 1977*. 1977, c. . . .

19. A trade in respect of which the regulations provide that registration is not required.

(2) Subject to the regulations, registration is not required Exemption
re securities
to trade in the following securities:

1. Bonds, debentures or other evidences of indebtedness,

(a) of or guaranteed by the Government of Canada or any province of Canada or by the Government of the United Kingdom or any foreign country or any political division thereof;

(b) of any municipal corporation in Canada, including debentures issued for public, separate, secondary or vocational school purposes, or guaranteed by any municipal corporation in Canada, or secured by or levied under the law of any province of Canada on property in such province and collectable by or through the municipality in which such property is situated;

(c) of or guaranteed by a bank to which the *Bank Act* (Canada) applies, a trust company or loan corporation registered under *The Loan and Trust Corporations Act* or an insurance company licensed under *The Insurance Act*; R.S.C. 1970,
c. B-1
R.S.O. 1970,
cc. 254, 224
or

(d) of or guaranteed by the International Bank for Reconstruction and Development established by the Agreement for an Inter-

R.S.C. 1970,
c. B-9

national Bank for Reconstruction and Development approved by the *Bretton Woods Agreements Act* (Canada), if the bonds, debentures, or evidences of indebtedness are payable in the currency of Canada or the United States of America.

R.S.O. 1970,
c. 224

2. Contracts of insurance issued by an insurance company licensed under *The Insurance Act* other than variable contracts that do not guarantee to return on the termination of the policy an amount equal to at least three-quarters of the premiums paid to the date of termination.

R.S.O. 1970,
c. 254

3. Certificates or receipts issued by a trust company registered under *The Loan and Trust Corporations Act* for moneys received for guaranteed investment.

4. Securities issued by a trust company registered under *The Loan and Trust Corporations Act* in respect of,

1970-71,
c. 63 (Can.)

(a) a pooled fund maintained solely to serve its registered retirement savings plans, registered home ownership savings plans, or other savings plans registered under the *Income Tax Act* (Canada);

(b) a common trust fund as defined by subsection 1 of section 85 of *The Loan and Trust Corporations Act*; or

(c) a pooled fund maintained by a trust company in which moneys belonging to various trusts in its care are commingled with the authority of the settlor, testator or trustee for the purpose of facilitating investment.

5. Securities issued by an investment club if,

(a) its shares or units are held by not more than fifty persons;

(b) it does not pay or give any remuneration under a management contract or in respect of a trade in securities except normal brokerage fees; and

- (c) all of its members are required to make contributions in proportion to the shares or units each holds for the purpose of investment.
6. Negotiable promissory notes or commercial paper maturing not more than one year from the date of issue, provided that each such note or commercial paper traded to an individual has a denomination or principal amount of not less than \$50,000.
 7. Mortgages or other encumbrances upon real or personal property, other than mortgages or other encumbrances contained in or secured by a bond, debenture or similar obligation or in a trust deed or other instrument to secure bonds or debentures or similar obligations, if such mortgages or other encumbrances are offered for sale by a person or company registered or exempted from registration under *The Mortgage Brokers Act*. R.S.O. 1970,
c. 278
 8. Securities evidencing indebtedness due under any conditional sales contract or other title retention contract providing for the acquisition of personal property if such securities are not offered for sale to an individual.
 9. Securities issued by an issuer organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit, where no part of the net earnings of such issuer enure to the benefit of any security holder and no commission or other remuneration is paid in connection with the sale thereof.
 10. Securities issued by corporations to which *The Co-operative Corporations Act, 1973* applies. 1973, c. 101
 11. Shares of a credit union within the meaning of *The Credit Unions Act*. R.S.O. 1970,
c. 96
 12. Securities of a private company where they are not offered for sale to the public.
 13. Securities issued and sold by a prospector for the purpose of financing a prospecting expedition.

14. Securities issued by a prospecting syndicate that has filed a prospecting syndicate agreement under Part XIII for which the Director has issued a receipt, where the securities are sold by the prospector or one of the prospectors who staked claims that belong to or are the subject of a declaration of trust in favour of the prospecting syndicate, and the prospector delivers the copy of the prospecting syndicate agreement to the person or company purchasing the security before accepting payment therefor.
15. Securities issued by a prospecting syndicate that has filed a prospecting syndicate agreement under Part XIII for which the Director has issued a receipt, if the securities are not offered for sale to the public and are sold to not more than fifty persons or companies.
16. Securities issued by a mining company or a mining exploration company as consideration for mining claims where the vendor enters into such escrow or pooling agreement as the Director considers necessary.
17. Securities in respect of which the regulations provide that registration is not required. R.S.O. 1970, c. 426, s. 19 (1, 2); 1971, c. 31, s. 3, *amended*.

Trades
by trust
company
R.S.O. 1970,
c. 254

(3) For the purpose of subsection 1, a trust company registered under *The Loan and Trust Corporations Act* shall be deemed to be acting as principal when it trades as trustee for accounts fully managed by it. *New*.

PART XII

TRADING IN SECURITIES GENERALLY

Confirmation
of trade

36.—(1) Every registered dealer who has acted as principal or agent in connection with any trade in a security shall promptly send by prepaid mail or deliver to the customer a written confirmation of the transaction, setting forth,

- (a) the quantity and description of the security;
- (b) the consideration;

- (c) whether or not the registered dealer is acting as principal or agent;
- (d) if acting as agent in a trade, the name of the person or company from or to or through whom the security was bought or sold;
- (e) the date and the name of the stock exchange, if any, upon which the transaction took place;
- (f) the commission, if any, charged in respect of the trade; and
- (g) the name of the salesman, if any, in the transaction.
R.S.O. 1970, c. 426, s. 67 (1).

(2) Where a trade is made in a security of a mutual fund, ^{Idem} the confirmation shall contain, in addition to the requirements of subsection 1,

- (a) the price per share or unit at which the trade was effected; and
- (b) the amount deducted by way of sales, service and other charges.

(3) Where a trade is made in a security of a mutual fund ^{Idem} under a contractual plan, the confirmation shall contain in addition to the requirements of subsections 1 and 2,

- (a) in respect of an initial payment made under a contractual plan which requires the prepayment of sales, service and other charges, a statement of the initial payment and the portion of the sales, service and other charges that is allocated to subsequent investments in the mutual fund and the manner of allocation thereof;
- (b) in respect of each subsequent payment made under a contractual plan which requires the prepayment of sales, service and other charges, a statement of the portion of the sales, service and other charges, that is allocated to the payment which is the subject of the confirmation;
- (c) in respect of an initial purchase made under a contractual plan which permits the deduction of sales,

service and other charges from the first and subsequent instalments, a brief statement of the sales, service and other charges to be deducted from subsequent purchases;

- (d) in respect of each purchase made under a contractual plan, a statement of the total number of shares or units of the mutual fund acquired and the amount of sales charges paid under the contractual plan up to the date the confirmation is sent or delivered.
New.

Coded
identification

- (4) For the purposes of clauses *d* and *g* of subsection 1, a person or company or a salesman may be identified in a written confirmation by means of a code or symbols if the written confirmation also contains a statement that the name of the person, company or salesman will be furnished to the customer on request.

Filing
of code

- (5) Where a person or company uses a code or symbols for identification in a confirmation under subsection 1, the person or company shall forthwith file the code or symbols and their meaning, and shall notify the Commission within five days of any change in or addition to the code or symbols or their meaning. R.S.O. 1970, c. 426, s. 67 (2, 3).

Disclosure
by agent

- (6) Every dealer who has acted as agent in connection with any trade in a security shall promptly disclose to the Commission, upon request by the Commission, the name of the person or company from or to or through whom the security was bought or sold. R.S.O. 1970, c. 426, s. 67 (4), *amended*.

Order
prohibiting
calls to
residences

- 37.**—(1) The Director may, by order, suspend, cancel, restrict or impose terms and conditions upon the right of any person or company named in the order to,

- (a) call at any residence; or
- (b) telephone from within Ontario to any residence within or outside Ontario,

for the purpose of trading in any security. R.S.O. 1970, c. 426, s. 68 (1), *amended*.

Hearing

- (2) The Director shall not make an order under subsection 1 without giving the person or company affected an opportunity to be heard. *New.*

(3) In this section, "residence" includes any building or ^{"residence" defined} part of a building in which the occupant resides either permanently or temporarily and any premises appurtenant thereto.

(4) For the purposes of this section, a person or company shall be deemed conclusively to have called or telephoned ^{What constitutes calls} where an officer, director or salesman of the person or company calls or telephones on its behalf. R.S.O. 1970, c. 426, s. 68 (3, 4).

38.—(1) No person or company, with the intention of ^{Representations prohibited} effecting a trade in a security, other than a security that carries an obligation of the issuer to redeem or purchase, or a right of the owner to require redemption or purchase, shall make any representation, written or oral, that he or any person or company,

(a) will resell or repurchase; or

(b) will refund all or any of the purchase price of,

such security.

(2) No person or company, with the intention of effecting ^{Future value} a trade in a security, shall give any undertaking, written or oral, relating to the future value or price of such security.

(3) No person or company, with the intention of effecting a ^{Listing} trade in a security, shall, except with the written permission of the Director, make any representation, written or oral, that such security will be listed on any stock exchange or that application has been or will be made to list such security upon any stock exchange.

(4) This section does not apply to any representation ^{Application of section} referred to in subsection 1 made to a person, other than an individual, or to a company where the representation is contained in a written agreement signed by the person or company intending to effect a trade in a security and the security has an aggregate acquisition cost of more than \$50,000. R.S.O. 1970, c. 426, s. 69.

39.—(1) Where a registered dealer, with the intention of ^{Where dealer is principal} effecting a trade in a security with any person or company other than another registered dealer, issues, publishes or sends a circular, pamphlet, letter, telegram or advertisement, and proposes to act in the trade as a principal, the registered dealer shall so state in the circular, pamphlet, letter, telegram or advertisement or otherwise in writing before entering into

a contract for the sale or purchase of any such security and before accepting payment or receiving any security or other consideration under or in anticipation of any such contract. R.S.O. 1970, c. 426, s. 70 (1).

Effect of
statement

(2) A statement made in compliance with this section or clause *c* of subsection 1 of section 36 that a dealer proposes to act or has acted as principal in connection with a trade in a security does not prevent such dealer from acting as agent in connection with a trade of such security.

Application
of section

(3) This section does not apply to trades referred to in subsection 1 of section 35 or to securities referred to in subsection 2 of section 35. R.S.O. 1970, c. 426, s. 70 (3, 4).

Disclosure of
financial
interest of
advisers and
dealers

40. Every registered adviser shall cause to be printed in a conspicuous position on every circular, pamphlet, advertisement, letter, telegram and other publication issued, published or sent out by him, in which the adviser recommends that a specific security be purchased, sold or held, in type not less legible than that used in the body of the circular, pamphlet, advertisement, letter or other publication, a full and complete statement of any financial or other interest that he or any partner, director, officer or a person or company that would be an insider of the adviser if the adviser was a reporting issuer may have either directly or indirectly in any securities referred to therein or in the sale or purchase thereof, including,

- (a) any ownership, beneficial or otherwise, that any of them may have in respect of such securities or in any securities issued by the same issuer;
- (b) any option that any of them may have in respect of such securities, and the terms thereof;
- (c) any commission or other remuneration that any of them has received or may expect to receive from any person or company in connection with any trade in such securities;
- (d) any financial arrangement relating to such securities that any of them may have with any person or company; and
- (e) any financial arrangement that any of them may have with any underwriter or other person or company who has any interest in the securities. R.S.O. 1970, c. 426, s. 72, *amended*.

Idem

41. Every registered dealer, that recommends a purchase, sale, exchange or hold of a security in any circular, pamphlet,

advertisement, letter, telegram or other publication issued, published or sent by it shall, in type not less legible than that used in the body of the publication, state whether it has at any time during the past year acted as an underwriter of such securities or as a financial adviser to the issuer of such securities or is presently acting as a financial adviser to the issuer of such securities or whether it will receive any fees as a result of the recommended action. *New.*

42. Every registered dealer shall publish the name of every person or company having an interest, either directly or indirectly, to the extent of not less than 5 per cent in the capital of the dealer, on all letterheads, circulars and stationery that contain any offer or solicitation respecting a trade in securities or in a preliminary prospectus or prospectus upon or in which the name of the registered dealer appears as underwriter. R.S.O. 1970, c. 426, s. 73, *amended*. Publication of names

43. No registrant shall use the name of another registrant on letterheads, forms, advertisements or signs, as correspondent or otherwise, unless he is a partner, officer or agent of or is authorized so to do in writing by the other registrant. R.S.O. 1970, c. 426, s. 74. Use of name of another registrant

44. No person or company shall hold himself out as being registered by having printed in a circular, pamphlet, advertisement, letter, telegram or other stationery that he is registered. R.S.O. 1970, c. 426, s. 75. Registration not to be advertised

45. No person or company who is not registered shall, either directly or indirectly, hold himself out as being registered. R.S.O. 1970, c. 426, s. 76. Holding out by unregistered person

46. No person or company shall make any representation, written or oral, that the Commission has in any way passed upon the financial standing, fitness or conduct of any registrant or upon the merits of any security or issuer. R.S.O. 1970, c. 426, s. 77. Advertising approval by Commission

47.—(1) Where a person, or a partner or employee of a partnership, or a director, officer or employee of a company, after he or the partnership or company has contracted as a registered dealer with any customer to buy and carry upon margin any securities of any issuer either in Canada or elsewhere, and while such contract continues, sells or causes to be sold securities of the same issuer for any account in which, Margin contracts

(a) he;

(b) his firm or a partner thereof; or

(c) the company or a director thereof,

has a direct or indirect interest, if the effect of such sale would, otherwise than unintentionally, be to reduce the amount of such securities in the hands of the dealer or under his control in the ordinary course of business below the amount of such securities that the dealer should be carrying for all customers any such contract with a customer is, at the option of the customer, voidable, and the customer may recover from the dealer all moneys paid with interest thereon or securities deposited in respect thereof.

Exercise
of option

(2) The customer may exercise such option by a notice to that effect sent by prepaid mail addressed to the dealer at his address for service in Ontario. R.S.O. 1970, c. 426, s. 78.

Declaration
as to short
position

48. Any person or company who places an order for the sale of a security through an agent acting for him that is a registered dealer and, who,

(a) at the time of placing the order, does not own the security; or

(b) if acting as agent, knows his principal does not own the security,

shall, at the time of placing the order to sell, declare to his agent that he or his principal, as the case may be, does not own the security. R.S.O. 1970, c. 426, s. 79.

Shares in
name of
registrant
not to be
voted

49.—(1) Subject to subsection 4, voting securities of an issuer registered in the name of,

(a) a registrant or in the name of his nominee; or

(b) a custodian or in the name of his nominee, where such issuer is a mutual fund,

that are not beneficially owned by the registrant or the custodian, as the case may be, shall not be voted by the registrant or custodian at any meeting of security holders of the issuer.

Forwarding
of informa-
tion by
registrant

(2) Forthwith after receipt of a copy of a notice of a meeting of security holders of an issuer, the registrant or custodian shall, where the name and address of the beneficial owner of securities registered in the name of the registrant or custodian are known, send or deliver to each beneficial owner of such security, a copy of any notice, financial statement, information circular or other material unless the beneficial

owner agrees in writing that such notice, statements, circular and other material need not be sent or delivered. R.S.O. 1970, c. 426, s. 80 (1), *amended*.

(3) At the request of a registrant or custodian, the person or company sending material referred to in subsection 2 shall forthwith furnish to the registrant or custodian, at the expense of the sender, the requisite number of copies of the material. Copies of information

(4) A registrant or custodian shall vote or give a proxy requiring a nominee to vote any voting securities referred to in subsection 1 in accordance with any written voting instructions received from the beneficial owner. Voting of shares

(5) A registrant or custodian shall, if requested in writing by a beneficial owner, give to the beneficial owner or his nominee a proxy enabling the beneficial owner or his nominee to vote any voting securities referred to in subsection 1. R.S.O. 1970, c. 426, s. 80 (3-5), *amended*. Proxies

(6) For the purpose of this section, "custodian" means a custodian of securities issued by a mutual fund held for the benefit of plan holders under a custodial agreement or other arrangement with a person or company engaged in, or administering a contractual plan in relation to, the distribution of securities of the mutual fund. *New*. "custodian" defined

50.—(1) Subject to subsections 2 and 3, no registered dealer shall purchase or sell shares or units of a mutual fund except in accordance with the terms of an agreement between such registered dealer and a distribution company or the mutual fund. Prohibition re secondary market in mutual fund shares

(2) The Commission may, upon application of a distribution company or mutual fund, order that the prohibition contained in subsection 1 shall not apply in respect of the shares or units of a mutual fund mentioned in the order, where it is satisfied that adequate arrangements have been made, Exemption by Commission

- (a) to permit the distribution company or mutual fund to carry out adequately its responsibilities relating to the distribution of such shares or units;
- (b) by the distribution company or mutual fund to prevent dealers in the shares or units of the mutual fund from taking undue advantage of the availability of the right to redeem the shares or units of the mutual fund; and
- (c) to facilitate enforcement of the penalty prescribed by the regulations for the early redemption of shares or

units of the mutual fund in a transaction in which the total consideration paid or to be paid by the purchaser for the shares or units is more than the sum of \$50,000.

Application
of subs. 1

(3) Subsection 1 does not apply to the shares or units of a mutual fund in respect of which a prospectus has not been filed and a receipt therefor issued by the Director within the preceding fifteen months. *New.*

Submission
of
advertising

51.—(1) The Commission may, after giving the registered dealer an opportunity to be heard, and upon being satisfied that the registered dealer's past conduct with respect to the use of advertising and sales literature affords reasonable grounds for belief that it is necessary for the protection of the public to do so, order that the registered dealer shall deliver to the Commission at least seven days before it is used, copies of all advertising and sales literature which the registered dealer proposes to use in connection with trading in securities.

Interpre-
tation

(2) For the purposes of this section,

(a) "advertising" includes television and radio commercials, newspaper and magazine advertisements and all other sales material generally disseminated through the communications media; and

(b) "sales literature" includes records, videotapes and similar material, written matter and all other material, except preliminary prospectuses and prospectuses, designed for use in a presentation to a purchaser, whether such material is given or shown to him.

Prohibition
of
advertising

(3) Where the Commission has issued an order pursuant to subsection 1, the Director may prohibit the use of the advertising and sales literature so delivered or may require that deletions or changes be made prior to its use.

Rescission
or variation
of order

(4) Where an order has been made pursuant to subsection 1, the Commission, on application of the registered dealer at any time after the date thereof, may rescind or vary the order where in its opinion it is not contrary to the public interest to do so. *New.*

Resale price
maintenance

52.—(1) Subject to subsection 2, no mutual fund or distribution company shall, by any device or arrangement, whether oral or in writing, prevent or attempt to prevent any registrant, excepting one of its salesmen, where it is a dealer, from reducing any portion of sales charges that is payable to

such registrant upon the sale by such registrant of securities of the mutual fund if the sole purpose of the reduction is to enable the purchaser to purchase the securities at a proportionately lower price.

(2) A mutual fund or distribution company may refuse to sell the securities of the mutual fund to or through any dealer if the distribution company has reasonable cause to believe and does believe, Refusal to sell through dealer

- (a) that the dealer is operating a secondary market in the securities of the mutual fund;
- (b) that the dealer was making a practice of using securities of the mutual fund supplied by it not for the purpose of making a profit thereon, but for the purpose of advertising;
- (c) that the dealer was making a practice of using securities of the mutual fund supplied by it not for the purpose of selling them at a profit but for the purpose of attracting clients in the hope of selling them other securities;
- (d) that the dealer was making a practice of engaging in misleading advertising in respect of the securities of the mutual fund supplied by it; or
- (e) that the dealer made a practice of not providing the level of servicing that purchasers of the securities of the mutual fund might reasonably expect from the dealer. *New.*

PART XIII

PROSPECTING SYNDICATES

53.—(1) Upon the filing of a prospecting syndicate agree- Agreements
ment and the issuance of a receipt therefor by the Director, the liability of the members of the syndicate or parties to the agreement is limited to the extent provided by the terms of the agreement where,

- (a) the sole purpose of the syndicate is the financing of prospecting expeditions, preliminary mining development, or the acquisition of mining properties, or any combination thereof;
- (b) the agreement clearly sets out,
 - (i) the purpose of the syndicate,

- (ii) the particulars of any transaction effected or in contemplation involving the issue of units for a consideration other than cash,
- (iii) the maximum amount, not exceeding 25 per cent of the sale price, that may be charged or taken by a person or company as commission upon the sale of units in the syndicate,
- (iv) the maximum number of units in the syndicate, not exceeding $33\frac{1}{3}$ per cent of the total number of units of the syndicate, that may be issued in consideration of the transfer to the syndicate of mining properties,
- (v) the location of the principal office of the syndicate and that the principal office shall at all times be maintained in Ontario and that the Director and the members of the syndicate shall be notified immediately of any change in the location of the principal office,
- (vi) that a person or company holding mining properties for the syndicate shall execute a declaration of trust in favour of the syndicate with respect to such mining properties,
- (vii) that after the sale for cash of any issued units of the syndicate no mining properties shall be acquired by the syndicate other than by staking unless such acquisition is approved by members of the syndicate holding at least two-thirds of the issued units of the syndicate that have been sold for cash,
- (viii) that the administrative expenditures of the syndicate, including, in addition to any other items, salaries, office expenses, advertising and commissions paid by the syndicate with respect to the sale of its units, shall be limited to one-third of the total amount received by the treasury of the syndicate from the sale of its units,
- (ix) that a statement of the receipts and disbursements of the syndicate shall be furnished to the Director and to each member annually,
- (x) that 90 per cent of the vendor units of the syndicate shall be escrowed units and may be released upon the consent of the Director and that any release of such units shall not be in excess of one vendor unit for each unit of the syndicate sold for cash,

(xi) that no securities, other than those of the syndicate's own issue, and no mining properties owned by the syndicate or held in trust for the syndicate shall be disposed of unless such disposal is approved by members of the syndicate holding at least two-thirds of the issued units of the syndicate other than escrowed units; and

(c) the agreement limits the capital of the syndicate to a sum not exceeding \$100,000.

(2) The Director may in his discretion issue a receipt for ^{Receipt for filed agreement} a prospecting syndicate agreement filed under this section and is not required to determine whether it is in conformity with clauses *a*, *b* and *c* of subsection 1.

(3) After a receipt is issued by the Director for a prospecting ^{Application of} syndicate agreement, the requirements of *The Partnerships Registration Act* as to filing do not apply to the prospecting ^{R.S.O. 1970, c. 340} syndicate.

(4) No registered dealer shall trade in a security issued ^{Prohibition of trading by dealer} by a prospecting syndicate either as agent for the prospecting syndicate or as principal. R.S.O. 1970, c. 426, s. 34, *amended*.

(5) The Director shall not refuse to issue a receipt under ^{Receipt} subsection 1 without giving the person or company who filed the prospecting syndicate agreement an opportunity to be heard. *New*.

PART XIV

PROSPECTUSES—DISTRIBUTION

54.—(1) No person or company shall trade in a security ^{Prospectus required} on his own account or on behalf of any other person or company where such trade would be a distribution of such security unless a preliminary prospectus and a prospectus have been filed and receipts therefor obtained from the Director. R.S.O. 1970, c. 426, s. 35 (1), *amended*.

(2) A preliminary prospectus and a prospectus may be filed ^{Filing without distribution} in accordance with this Part to enable the issuer to become a reporting issuer, notwithstanding the fact that no distribution is contemplated. *New*.

55.—(1) A preliminary prospectus shall substantially com- ^{Preliminary prospectus} ply with the requirements of this Act and the regulations respecting the form and content of a prospectus, except

that the report or reports of the auditor or accountant required by the regulations need not be included.

Idem

(2) A preliminary prospectus may exclude information with respect to the price to the underwriter and offering price of any securities and other matters dependent upon or relating to such prices. R.S.O. 1970, c. 426, s. 38, *amended*.

Receipt for preliminary prospectus

56. The Director shall issue a receipt for a preliminary prospectus forthwith upon the filing thereof. R.S.O. 1970, c. 426, s. 35 (2).

Prospectus

57.—(1) A prospectus shall provide full, true, and plain disclosure of all material facts relating to the securities issued or proposed to be distributed and shall comply with the requirements of this Act and the regulations.

Supplemental material

(2) The prospectus shall contain or be accompanied by such financial statements, reports, or other documents as are required by this Act or the regulations. R.S.O. 1970, c. 426, s. 41, *amended*.

Amendment to preliminary prospectus on material change

58.—(1) Where a material adverse change occurs after a receipt is obtained for a preliminary prospectus filed in accordance with subsection 1 of section 54 and before the receipt for the prospectus is obtained or, where a material change occurs after the receipt for the prospectus is obtained but prior to the completion of the distribution under such prospectus, an amendment to such preliminary prospectus or prospectus, as the case may be, shall be filed as soon as practicable and in any event within ten days after the change occurs.

Notice of amendment

(2) An amendment to a preliminary prospectus referred to in subsection 1 shall, forthwith after it has been filed, be forwarded to each recipient of the preliminary prospectus according to the record maintained under section 68. R.S.O. 1970, c. 426, s. 40 (2, 3), *amended*.

Certificate by issuer

59.—(1) Subject to subsection 3, a prospectus filed under subsection 1 of section 54 shall contain a certificate in the following form, signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors, any two directors of the issuer, other than the foregoing, duly authorized to sign, and any person or company who is a promoter of the issuer:

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1977 and the regulations thereunder.

(2) Subject to subsection 3, a prospectus filed under subsection 2 of section 54 shall contain a certificate in the following form, signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors, any two directors of the issuer, other than the foregoing, duly authorized to sign, and any person or company who is a promoter of the issuer: ^{Idem}

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the issuer as required by Part XIV of The Securities Act, 1977 and the regulations thereunder.

(3) Where the issuer has only three directors, two of whom are the chief executive officer and the chief financial officer, the certificate may be signed by all the directors of the issuer. ^{Idem}

(4) Where the Director is satisfied upon evidence or submissions made to him that either, or both of, the chief executive officer or chief financial officer of the issuer is for adequate cause not available to sign a certificate in a prospectus, the Director may permit the certificate to be signed by any other responsible officer or officers of the issuer in lieu of either, or both of, the chief executive officer or chief financial officer. ^{Idem}

(5) With the consent of the Director, a promoter need not sign the certificate in a prospectus. ^{Idem}

(6) The Director may, in his discretion, require any person or company who was a promoter of the issuer within the two preceding years to sign the certificate required by subsection 1 or 2 subject to such conditions as the Director may consider proper. ^{Certificate of promoter}

(7) With the consent of the Director, a promoter may sign a certificate in a prospectus by his agent duly authorized in writing. R.S.O. 1970, c. 426, s. 52, *amended*. ^{Idem}

60.—(1) Where there is an underwriter, a prospectus shall contain a certificate in the following form, signed by the underwriter or underwriters who, with respect to the securities offered by the prospectus, are in a contractual relationship with the issuer or security holder whose securities are being offered by the prospectus: ^{Certificate of underwriter}

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part XIV of The Securities Act, 1977 and the regulations thereunder.

Idem

(2) With the consent of the Director, an underwriter may sign a certificate in a prospectus by his agent duly authorized in writing. R.S.O. 1970, c. 426, s. 53, *amended*.

Statement
of rights

61. Every prospectus shall contain a statement of the rights given to a purchaser by sections 72 and 129. R.S.O. 1970, c. 426, ss. 64 (9), 65 (8), *amended*.

Issuance
of receipt

62.—(1) Subject to subsection 2, the Director shall issue a receipt for a prospectus filed under this Part unless it appears to him that it is not in the public interest to do so.

Refusal
of receipt

(2) The Director shall not issue a receipt for a prospectus if it appears to him that,

- (a) the prospectus or any document required to be filed therewith,
 - (i) fails to comply in any substantial respect with any of the requirements of this Part or the regulations,
 - (ii) contains any statement, promise, estimate or forecast that is misleading, false or deceptive, or
 - (iii) contains a misrepresentation;
- (b) an unconscionable consideration has been paid or given or is intended to be paid or given for promotional purposes or for the acquisition of property;
- (c) the proceeds from the sale of the securities to which the prospectus relates that are to be paid into the treasury of the issuer, together with other resources of the issuer, are insufficient to accomplish the purpose of the issue stated in the prospectus;
- (d) having regard to the financial condition of the issuer or an officer, director, promoter, or a person or company or combination of persons or companies holding sufficient of the securities of the issuer to affect materially the control of the issuer, the issuer cannot reasonably be expected to be financially responsible in the conduct of its business;
- (e) the past conduct of the issuer or an officer, director, promoter, or a person or company or combination of persons or companies holding sufficient of the securities of the issuer to affect materially the

control of the issuer affords reasonable grounds for belief that the business of the issuer will not be conducted with integrity and in the best interests of its security holders;

- (f) such escrow or pooling agreement as the Director considers necessary or advisable with respect to securities has not been entered into;
- (g) such agreement as the Director considers necessary or advisable to accomplish the objects indicated in the prospectus for the holding in trust of the proceeds payable to the issuer from the sale of the securities pending the distribution of the securities has not been entered into;
- (h) in the case of a prospectus filed by a finance company, as defined in the regulations,
 - (i) the plan of distribution of the securities offered is not acceptable,
 - (ii) the securities offered are not secured in such manner, on such terms and by such means as are required by the regulations, or
 - (iii) such finance company does not meet such financial and other requirements and conditions as are specified in the regulations; or
- (i) a person or company who has prepared or certified any part of the prospectus or is named as having prepared or certified a report or valuation used in or in connection with a prospectus is not acceptable to him.

(3) The Director shall not refuse to issue a receipt under subsection 1 or 2 without giving the person or company who filed the prospectus an opportunity to be heard. R.S.O. 1970, c. 426, s. 61 (1, 2); 1971, c. 31, s. 16, *amended*. Hearing

(4) Where it appears to the Director that a preliminary prospectus, *pro forma* prospectus, or prospectus raises a material question involving the public interest under subsection 1 or a new or novel question of interpretation under subsection 2 that might result in the Director refusing to issue a receipt under subsection 1 or 2, the Director may refer the question to the Commission for determination. Referral to Commission

- Form of question (5) The Director shall state the question in writing setting out the facts upon which the question is based.
- Filing of question (6) The question, together with any additional material, shall be lodged by the Director with the Secretary of the Commission, and a copy of the question shall forthwith be served by the Director upon any interested person or company.
- Hearing by Commission (7) The Commission, after giving the parties an opportunity to be heard, shall consider and determine the question and refer the matter back to the Director for final consideration under subsections 1 and 2.
- Decision of Commission (8) Subject to any order of the Supreme Court made under section 9, the decision of the Commission on the question is binding on the Director. *New.*
- Refiling of prospectus **63.**—(1) No distribution of a security shall continue longer than twelve months from either,
- (a) the date of the issuance of the receipt for the preliminary prospectus relating to such security; or
 - (b) the date of the last prospectus filed under this section,
- as the case may be, which shall be the lapse date, unless a new prospectus that complies with this Part is filed and a receipt therefor is obtained from the Director. R.S.O. 1970, c. 426, s. 56; 1971, c. 31, s. 11, *amended.*
- Idem (2) A distribution may be continued for a further twelve months if,
- (a) a *pro forma* prospectus prepared in accordance with the regulations is filed not less than thirty days prior to the lapse date of the previous prospectus;
 - (b) a prospectus is filed not later than ten days following the lapse date of the previous prospectus; and
 - (c) a receipt for the prospectus is obtained from the Director within the twenty days following the lapse date of the previous prospectus.
- Failure to refile (3) Subject to any extension granted under subsection 4, all trades completed in reliance upon subsection 2 after the lapse date may be cancelled at the option of the purchaser within ninety days of the purchaser's first knowledge of the

failure to comply with such conditions where any of the conditions to the continuation of a distribution under subsection 2 are not complied with.

(4) The Commission may, upon an application of a reporting issuer, extend, subject to such terms and conditions as it may impose, the times provided by subsection 2 where in its opinion it would not be prejudicial to the public interest to do so. *New.* Extension of time

64.—(1) No dealer shall engage in the distribution of a security to which section 54 or 63 is applicable until such dealer has notified the Commission in writing of his intention to engage in such distribution. Notice to Commission of distribution to public

(2) Every dealer shall forthwith notify the Commission in writing when he has ceased to engage in the distribution of a security to which section 54 or 63 is applicable. R.S.O. 1970, c. 426, s. 54, *amended.* Notice of Commission of cessation of distribution to public

65.—(1) Where a person or company proposing to make a distribution of previously issued securities of an issuer is unable to obtain from the issuer of the securities information or material that is necessary for the purpose of complying with this Part or the regulations, the Director may order the issuer of the securities to furnish to the person or company that proposes to make the distribution such information and material as the Director considers necessary for the purposes of the distribution, upon such terms and subject to such conditions as he considers proper, and all such information and material may be used by the person or company to whom it is furnished for the purpose of complying with this Part and the regulations. Orders to furnish information re distribution to public

(2) Where a person or company proposing to make a distribution of previously issued securities of an issuer is unable to obtain any or all of the signatures to the certificates required by this Act or the regulations, or otherwise to comply with this Part or the regulations, the Director may, upon being satisfied that all reasonable efforts have been made to comply with this Part and the regulations and that no person or company is likely to be prejudicially affected by such failure to comply, make such order waiving any of the provisions of this Part or the regulations as he considers advisable, upon such terms and subject to such conditions as he considers proper. R.S.O. 1970, c. 426, s. 60, *amended.* Idem

PART XV

DISTRIBUTION—GENERALLY

“waiting
period”
defined

66.—(1) In this section, “waiting period” means the interval, which shall be at least ten days, between the issuance by the Director of a receipt for a preliminary prospectus relating to the offering of a security and the issuance by him of a receipt for the prospectus.

Distribution
of material
during
waiting
period

(2) Notwithstanding section 54, but subject to Part XII, it is permissible during the waiting period,

(a) to distribute a notice, circular, advertisement or letter to or otherwise communicate with any person or company identifying the security proposed to be issued, stating the price thereof, if then determined, the name and address of a person or company from whom purchases of the security may be made and containing such further information as may be permitted or required by the regulations, if every such notice, circular, advertisement, letter or other communication states the name and address of a person or company from whom a preliminary prospectus may be obtained;

(b) to distribute a preliminary prospectus; and

(c) to solicit expressions of interest from a prospective purchaser if, prior to such solicitation or forthwith after the prospective purchaser indicates an interest in purchasing the security, a copy of the preliminary prospectus is forwarded to him. R.S.O. 1970, c. 426, s. 36.

Distribution
of
preliminary
prospectus

67. Any dealer distributing a security to which section 66 applies shall, in addition to the requirements of clause *c* of subsection 2 of section 66, send a copy of the preliminary prospectus to each prospective purchaser who, without solicitation, indicates an interest in purchasing the security and requests a copy of such preliminary prospectus. R.S.O. 1970, c. 426, s. 37, *amended*.

Distribution
list

68. Any dealer distributing a security to which section 66 applies shall maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded. *New*.

Defective
preliminary
prospectus

69. Where it appears to the Director that a preliminary prospectus is defective in that it does not substantially comply with the requirements of this Act and the regula-

tions as to form and content, he may, without giving notice, order that the trading permitted by subsection 2 of section 66 in the security to which the preliminary prospectus relates shall cease until a revised preliminary prospectus satisfactory to the Director is filed and forwarded to each recipient of the defective preliminary prospectus according to the record maintained under section 68. R.S.O. 1970, c. 426, s. 40 (1).

70. From the date of the issuance by the Director of a receipt for a prospectus relating to a security, a person or company trading in the security in a distribution, either on his own account or on behalf of any other person or company, may distribute the prospectus, any document filed with or referred to in the prospectus and any notice, circular, advertisement or letter of the nature described in clause *a* of subsection 2 of section 66 or in the regulations, but shall not distribute any other printed or written material respecting the security that is prohibited by the regulations. R.S.O. 1970, c. 426, s. 57; 1971, c. 31, s. 12, *amended*. Material
given on
distribution

71.—(1) Where it appears to the Commission, after the filing of a prospectus under this Part and the issuance of a receipt therefor, that any of the circumstances set out in subsection 2 of section 62 exist, the Commission may order that the distribution of the securities under the prospectus shall cease. Order
to cease
trading

(2) No order shall be made under subsection 1 without a hearing unless in the opinion of the Commission the length of time required for a hearing could be prejudicial to the public interest, in which event a temporary order may be made which shall expire fifteen days from the date of the making thereof unless the hearing is commenced in which case the Commission may extend the order until the hearing is concluded. Hearing

(3) A notice of every order made under this section shall be served upon the issuer to whose securities the prospectus relates and upon every dealer who has notified the Commission of his intention to engage in the distribution of the securities, and forthwith upon the receipt of the notice, Notice

(a) distribution of the securities under prospectus by the person or company named in the order shall cease; and

(b) any receipt issued by the Director for the prospectus is revoked. R.S.O. 1970, c. 426, s. 62; 1971, c. 31, s. 17, *amended*.

Obligation
to deliver
prospectus

72.—(1) A dealer not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which subsection 1 of section 54 or section 63 is applicable shall, unless he has previously done so, send by prepaid mail or deliver to the purchaser the latest prospectus and any amendment to the prospectus filed either before entering into an agreement of purchase and sale resulting from the order or subscription or not later than midnight on the second day, exclusive of Saturdays, Sundays, and holidays, after entering into such agreement.

Withdrawal
from
purchase

(2) An agreement of purchase and sale referred to in subsection 1 is not binding upon the purchaser, if the dealer from whom the purchaser purchases the security receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase and sale not later than midnight on the second day, exclusive of Saturdays, Sundays, and holidays, after receipt by the purchaser of the latest prospectus and any amendment to the prospectus.

Application
of subs. 2

(3) Subsection 2 does not apply if the purchaser is a registrant or if the purchaser sells or otherwise transfers beneficial ownership of the security referred to in subsection 2, otherwise than to secure indebtedness, before the expiration of the time referred to in subsection 2.

Time of
receipt

(4) For the purpose of this section, where the latest prospectus and any amendment to the prospectus is sent by prepaid mail, the latest prospectus and any amendment to the prospectus shall be deemed conclusively to have been received in the ordinary course of mail by the person or company to whom it was addressed.

Receipt of
prospectus
by agent

(5) The receipt of the latest prospectus or any amendment to the prospectus by a dealer who is acting as agent of or who thereafter commences to act as agent of the purchaser with respect to the purchase of a security referred to in subsection 1 shall, for the purpose of this section, be receipt by the purchaser as of the date on which the agent received such latest prospectus and any amendment to the prospectus.

Receipt of
notice by
agent

(6) The receipt of the notice referred to in subsection 2 by a dealer who acted as agent of the vendor with respect to the sale of the security referred to in subsection 1 shall, for the purpose of this section, be receipt by the vendor as of the date on which the agent received such notice.

(7) For the purpose of this section, a dealer shall not be considered to be acting as agent of the purchaser unless the dealer is acting solely as agent of the purchaser with respect to the purchase and sale in question and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale.

(8) The onus of proving that the time for giving notice under subsection 2 has expired is upon the dealer from whom the purchaser has agreed to purchase the security. R.S.O. 1970, c. 426, s. 64; 1971, c. 31, s. 19, *amended*.

PART XVI

EXEMPTIONS FROM PROSPECTUS REQUIREMENTS

73.—(1) Subject to the regulations, sections 54 and 63 do not apply to a distribution where,

(a) the purchaser is,

(i) a bank to which the *Bank Act* (Canada) applies or the Federal Business Development Bank incorporated under the *Federal Business Development Bank Act* (Canada),

R.S.C. 1970,
c. B-1,
1974-75,
c. 14 (Can.)

(ii) a loan corporation or trust company registered under *The Loan and Trust Corporations Act*,

R.S.O. 1970,
c. 254

(iii) an insurance company licensed under *The Insurance Act*,

R.S.O. 1970,
c. 224

(iv) Her Majesty in right of Canada or any province or territory of Canada, or

(v) any municipal corporation or public board or commission in Canada,

who purchases as principal;

(b) the trade is an isolated trade in a specific security by or on behalf of an issuer, for the issuer's account, where such trade is not made in the course of continued and successive transactions of a like nature, and is not made by a person or company whose usual business is trading in securities;

(c) the party purchasing as principal is a company or a person, other than an individual, and is recognized by the Commission as an exempt purchaser;

- (d) the purchaser purchases as principal, if the trade is in a security which has an aggregate acquisition cost to such purchaser of not less than \$97,000;
- (e) the trade is to a lender, pledgee, mortgagee or other encumbrancer from the holdings of any person, company or combination of persons or companies described in subparagraph iii of paragraph 12 of subsection 1 of section 1 for the purpose of giving collateral for a *bona fide* debt;
- (f) the trade is made by an issuer,
 - (i) in a security of its own issue that is distributed by it to holders of its securities as a stock dividend or other distribution out of earnings or surplus,
 - (ii) in a security whether of its own issue or not that is distributed by it to holders of its securities as incidental to a *bona fide* reorganization or winding up of the issuer or distribution of its assets for the purpose of winding up its affairs pursuant to the laws of the jurisdiction in which the issuer was incorporated, organized or continued,
 - (iii) in a right, transferable or otherwise, granted by the issuer to holders of its securities to purchase additional securities of its own issue and the issue of securities pursuant to the exercise of the right if the issuer has given the Commission written notice stating the date, amount, nature and conditions of the proposed sale, including the approximate net proceeds to be derived by the issuer on the basis of such additional securities being fully taken up and paid for, and either,
 - a. the Commission has not informed the issuer in writing within ten days of the giving of the notice that it objects to the proposed trade, or
 - b. the issuer has delivered to the Commission information relating to the securities that is satisfactory to, and accepted by, the Commission, or

- (iv) in securities of its own issue or those of a reporting issuer held by it transferred or issued through the exercise of a right to purchase, convert or exchange previously granted by the issuer,

provided that, with respect to any trade referred to in subclause i or ii, no commission or other remuneration is paid or given to others in respect of such distribution except for ministerial or professional services or for services performed by a registered dealer;

- (g) the trade is made in a security of a company that is exchanged by or for the account of such company with another company or the holders of the securities of that other company in connection with,

- (i) a statutory amalgamation or arrangement, or

- (ii) a statutory procedure under which one company takes title to the assets of the other company which in turn loses its existence by operation of law, or under which the existing companies merge into a new company;

- (h) the trade is made in a security of a company that is exchanged by or for the account of the company with the security holders of another company in connection with a take-over bid as defined in Part XIX;

- (i) the trade is made in a security of an issuer in connection with a take-over bid exempted from the requirements of Part XIX by subsection 2 of section 90;

- (j) the trade is made by an issuer in a security of its own issue as consideration for a portion or all of the assets of any person or company, if the fair value of the assets so purchased is not less than \$100,000;

- (k) the trade is made by an issuer in a security of its own issue in consideration of mining claims where the vendor enters into such escrow or pooling agreement as the Director considers necessary;

- (l) the trade is made by an issuer in the securities of its own issue with its employees or the employees of an affiliate who are not induced to purchase by expectation of employment or continued employment;

- (m) the trade is made between an issuer in securities of its own issue and not more than twenty-five purchasers or is made between such purchasers if each of the following requirements is satisfied,
 - (i) each purchaser purchases as principal,
 - (ii) each purchaser,
 - a. is an investor who, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a registered adviser, is able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer or has access to substantially the same information concerning the issuer that the filing of a prospectus under this Act would provide, or
 - b. is a senior officer or director of the issuer or his spouse, parent, brother, sister or child,
 - (iii) the offer and sale of the securities are not accompanied by an advertisement and no selling or promotional expenses have been paid or incurred in connection therewith, except for professional services or for services performed by a registered dealer,
 - (iv) solicitations in respect of the securities have not been made to more than fifty prospective purchasers, and
 - (v) there are not more than twenty-five beneficial owners of securities as a result of trades pursuant to this exemption;
- (n) the trade is made from one registered dealer to another registered dealer where the registered dealer making the purchase is acting as principal;
- (o) the trade is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or
- (p) the trade is in a commodity futures option or commodity futures contract where such trade is a *bona fide* hedging transaction within the meaning of *The Commodity Futures Act, 1977*.

(2) For the purpose of subsection 1, a trust company registered under *The Loan and Trust Corporations Act* shall be deemed to be acting as principal when it trades as trustee for accounts fully managed by it. Trust companies deemed principals R.S.O. 1970, c. 254

(3) Where a trade has been made under clause *a, b, c, d, j, m* or *n* of subsection 1, the vendor shall within ten days file a report prepared and executed in accordance with the regulations. Report

(4) The first trade in securities acquired pursuant to an exemption contained in clause *a, b, c, d, j, k, m* or *n* of subsection 1, other than a further trade exempted by subsection 1, is a distribution, unless, First trades deemed distribution

(a) the issuer of the security is a reporting issuer and is not in default of any requirement of this Act or the regulations;

(b) (i) the securities are listed and posted for trading on a stock exchange recognized for this purpose by the Commission and comply with the requirements of either clause *m* or *n* of subsection 1 of section 383 of *The Insurance Act*, and have been held at least six months from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is the later, or R.S.O. 1970, c. 224

(ii) the securities are bonds, debentures or other evidences of indebtedness issued or guaranteed by an issuer and comply with the requirements of clause *k* of subsection 1 of section 383 of *The Insurance Act* and have been held at least six months from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is the later, or

(iii) the securities are listed and posted for trading on a stock exchange recognized for this purpose by the Commission or are bonds, debentures or other evidences of indebtedness issued or guaranteed by the reporting issuer whose securities are so listed, and have been held at least one year from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is later, or

(iv) the securities have been held at least eighteen months from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is later; and

- (c) the vendor files a report within ten days prepared and executed in accordance with the regulations,

provided that no unusual effort is made to prepare the market or to create a demand for such securities and no extraordinary commission or consideration is paid in respect of such trade.

Idem

(5) The first trade in securities acquired under an exemption contained in clause *f*, *g*, *h*, *i* or *l* of subsection 1 and the first trade in previously issued securities of a company that has ceased to be a private company, other than a further trade exempted by subsection 1, is a distribution unless,

- (a) the issuer of the securities is a reporting issuer and has been a reporting issuer for at least twelve months or, in the case of securities acquired under clause *g* of subsection 1, one of the amalgamating or merged corporations or one of the continuing corporations has been a reporting issuer for twelve months and the issuer is not in default of any requirement of this Act or the regulations;
- (b) the issuer has made disclosure of its exempt trade; and
- (c) no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid in respect of the trade.

Idem

(6) The first trade in securities purchased under an exemption contained in clause *o* of subsection 1, other than a further trade exempted by subsection 1, is a distribution.

Prospectus
not
required

(7) Sections 54 and 63 do not apply to a distribution within the meaning of subparagraph iii of paragraph 12 of subsection 1 of section 1 or by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a *bona fide* debt by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt in accordance with clause *e* of subsection 1, if,

- (a) the distribution is exempted by subsection 1; or
- (b) the issuer of the security is a reporting issuer and has been a reporting issuer for at least eighteen months and is not in default of any requirement of this Act or the regulations and the seller,

- (i) files with the Commission and any stock exchange recognized by the Commission for this purpose on which the securities are listed at least seven days and not more than fourteen days prior to the proposed trade,

- a. a notice of intention to sell in the form prescribed by the regulations disclosing particulars of the control position known to him, the number of securities to be sold and the method of distribution, and

- b. a declaration signed by each seller as at a date not more than twenty-four hours prior to its filing and prepared and executed in accordance with the regulations and certified as follows:

“The seller for whose account the securities to which this certificate relates are to be sold hereby represents that he has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the Commission, nor has he any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed”,

and,

- (ii) files within three days after the completion of any trade a report of the trade in the form prescribed under Part XX,

provided that the notice required to be filed under sub-subclause a of subclause i and the declaration required to be filed under sub-subclause b of subclause i shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the securities specified under the original notice have not been sold or until notice has been filed that the securities so specified or any part thereof are no longer for sale; and

- (c) no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or other consideration is paid in respect of such trade. *New.*

Certificate re
reporting
issuer

(8) Subject to subsection 10, for the purpose of determining whether an issuer is a reporting issuer and, if so, whether the reporting issuer is not in default of any requirement of this Act or the regulations, the seller is entitled to apply to the Commission for a certificate issued for this purpose in accordance with section 138 and is entitled to rely on the certificate.

List re
defaulting
reporting
issuers

(9) Subject to subsection 10, for the purpose of determining whether a reporting issuer is not in default of any requirement of this Act or the regulations, the seller is entitled to rely on a list of defaulting reporting issuers which shall be maintained by the Commission for public inspection in its offices during its normal business hours.

Exception

(10) No person or company who knows or ought reasonably to know that a reporting issuer is in default may rely on the certificate or on the list.

Reporting
issuers

(11) An issuer shall be deemed to have been a reporting issuer from the date that it met the condition of the appropriate subclause of paragraph 35 of subsection 1 of section 1 provided that in each case it is currently in compliance with the requirements of this Act and in the case of qualification under subclause iii of paragraph 35 of subsection 1 of section 1 it is also currently listed and posted for trading on any stock exchange in Ontario recognized by the Commission. *New.*

Prospectus
not
required

74.—(1) Sections 54 and 63 do not apply to a distribution of securities,

- (a) referred to in subsection 2 of section 35 excepting paragraphs 16 and 17 thereof;
- (b) that are listed and posted for trading on any stock exchange recognized for the purpose of this section by the Commission where the securities are distributed through the facilities of the stock exchange pursuant to the rules of the stock exchange and the requirements of the Commission, provided that a statement of material facts, which shall comply as to form and content with the regulations, is filed with and is accepted for filing by the stock exchange and the Commission;

- (c) that are options to sell or purchase securities known as puts and calls or any combination thereof which provide that the holder thereof may sell to or purchase from the writer of the option a specified amount of securities at a specific price, on or prior to a specified date or the occurrence of a specified event, provided,
- (i) the option has been written by a member of an exchange recognized by the Commission for this purpose or the performance under the option is guaranteed by a member of an exchange recognized by the Commission for this purpose,
 - (ii) the securities that are the subject of the option are listed and posted for trading on an exchange recognized by the Commission for this purpose, and
 - (iii) the option is in the form from time to time prescribed by the regulations; or

(d) that are exempted by the regulations.

(2) Sections 72 and 129 apply *mutatis mutandis* to a distribution under clause *b* of subsection 1 as if sections 54 and 63 were applicable thereto, and the statement of material facts referred to in clause *b* of subsection 1 shall be deemed conclusively to be a prospectus for the purposes of sections 72 and 129. *New.* ^{Application of ss. 72 and 129}

75.—(1) The Commission may, upon the application of an interested person or company, rule that an intended trade is not subject to section 24 or 54 where it is satisfied that to do so would not be prejudicial to the public interest, and may impose such terms and conditions as are considered necessary. 1971, c. 31, s. 14, *part, amended.* ^{Order exempting from registration a prospectus}

(2) Where doubt exists whether a distribution of any security has been concluded or is currently in progress, the Commission may determine the question and rule accordingly. ^{Determination of whether distribution has ceased}

(3) A decision of the Commission under this section is final and there is no appeal therefrom. 1971, c. 31, s. 14, *part.* ^{Ruling final}

PART XVII

CONTINUOUS DISCLOSURE

Publication
of material
change

76.—(1) Subject to subsection 3, where a material change occurs in the affairs of a reporting issuer, it shall forthwith issue and file a press release authorized by a senior officer disclosing the nature and substance of such change.

Report of
material
change

(2) The reporting issuer shall file a report of such change in accordance with the regulations as soon as practicable and in any event within ten days of the date on which the change occurs.

Idem

(3) Where in the opinion of the reporting issuer, the disclosure required by subsections 1 and 2 would be unduly detrimental to the interests of the reporting issuer, it shall forthwith deliver to the Commission the report required under subsection 2 marked "confidential" together with written reasons for non-disclosure.

Idem

(4) Where a report has been delivered to the Commission under subsection 3, the reporting issuer shall advise the Commission in writing where it believes the report should continue to remain confidential within ten days of the date of delivery of the initial report and every ten days thereafter until the material change is generally disclosed. *New.*

Trading
where
undisclosed
change

77.—(1) No person or company shall purchase or sell securities of a reporting issuer with knowledge of a material change in the affairs of the reporting issuer that he or it knew or reasonably ought to have known had not been generally disclosed or inform another person or company about such material change other than in the necessary course of business before it has been so disclosed.

Exception

(2) No person or company shall be found to have contravened subsection 1 if the person or company proves that he or it did not make use of knowledge of the material change in purchasing or selling the securities.

Advising
trade

(3) No person shall advise another person or company to buy, sell, hold or exchange securities of the reporting issuer with knowledge of a material change in the affairs of the reporting issuer that he knew or ought reasonably to have known had not been generally disclosed. *New.*

Interim
financial
statement

78.—(1) Every reporting issuer that is not a mutual fund shall file within sixty days of the date to which it is made up an interim financial statement.

- (a) for the three-month period that commenced on the date of incorporation, organization or continuation, as the case may be, and for each of the two subsequent three-month periods during its first financial year, if the reporting issuer has not completed a financial year; or
- (b) for the three-month period of the current financial year that commenced immediately following the last financial year and for each of the two subsequent three-month periods during the current financial year, including a comparative statement for the corresponding three-month period in the last financial year, if the reporting issuer has completed a financial year,

made up and certified as required by the regulations and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period, if any. R.S.O. 1970, c. 426, s. 130 (1), *amended*.

(2) Every reporting issuer that is a mutual fund shall ^{Idem} file within sixty days of the date to which it is made up an interim financial statement,

- (a) for the six-month period that commenced on the date of incorporation, organization or continuation, if the reporting issuer has not completed a financial year; or
- (b) for the six-month period that commenced immediately after the last financial year, if the reporting issuer has completed a financial year,

made up and certified by the regulations and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period, if any.
New.

79.—(1) Every reporting issuer that is not a mutual fund shall file annually within 140 days from the end of its last financial year comparative financial statements relating separately to, ^{Comparative financial statements}

- (a) the period that commenced on the date of incorporation, organization or continuation, as the case may be, and ended as of the close of the first financial year or, if the reporting issuer has com-

pleted a financial year, the last financial year, as the case may be; and

- (b) the period covered by the financial year next preceding the last financial year, if any,

made up and certified as required by the regulations and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period, if any. R.S.O. 1970, c. 426, s. 120 (1), *amended*.

Annual
financial
statements

(2) Every reporting issuer that is a mutual fund shall file annually within 140 days from the end of its last financial year financial statements relating to the period that commenced on the date of incorporation, organization or continuation and ended as of the close of its first financial year or, if the reporting issuer has completed a financial year, the last financial year made up and certified as required by the regulations and in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period. *New*.

Auditor's
report

(3) Every financial statement referred to in subsections 1 and 2 shall be accompanied by a report of the auditor of the reporting issuer prepared in accordance with the regulations. R.S.O. 1970, c. 426, s. 119 (2), *amended*.

"auditor"
defined

(4) For the purposes of this Part, "auditor", where used in relation to the reporting issuer, includes the auditor of the reporting issuer and any other independent public accountant. *New*.

Auditor's
examination

80. The auditor of a reporting issuer shall make such examinations as will enable him to make the report required by subsection 3 of section 79. R.S.O. 1970, c. 426, s. 119 (1).

Relief
against
certain
require-
ment

81. Upon the application of a reporting issuer, the Commission may, where in the opinion of the Commission to do so would not be prejudicial to the public interest, make an order on such terms and conditions as the Commission may impose,

- (a) permitting the omission from the financial statements required to be filed under this Part of,
- (i) comparative financial statements for particular periods of time,

- (ii) sales or gross operating revenue where the Commission is satisfied that the disclosure of such information would be unduly detrimental to the interests of the reporting issuer, or
 - (iii) basic earnings per share or fully diluted earnings per share;
- (b) where, in the opinion of the Commission, the reporting issuer is unable to comply with the requirements of the regulations relating to the preparation of a statement of changes in financial position required under this Part and the regulations, permitting the reporting issuer to file in lieu thereof an alternative financial statement containing such information, if any, as the Commission considers appropriate;
- (c) exempting, in whole or in part, the reporting issuer from a requirement of this Part or the regulations relating to a requirement of this Part,
- (i) if such requirement conflicts with a requirement of the laws of the jurisdiction under which the reporting issuer is incorporated, organized or continued, or
 - (ii) if otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing. R.S.O. 1970, c. 426, s. 132 (1), *amended*.

82.—(1) Where the management of a reporting issuer is ^{Filing of information} required to send an information circular under clause *a* of ^{circular} subsection 1 of section 87, the reporting issuer shall forthwith file a copy of such information circular certified in accordance with the regulations.

(2) In any case where subsection 1 is not applicable, ^{Idem} the reporting issuer shall file annually within 140 days from the end of its last financial year a report prepared and certified in accordance with the regulations. *New.*

83. Where the laws of the jurisdiction in which the reporting issuer was incorporated, organized or continued ^{Filing of documents} require the reporting issuer to file substantially the same ^{filed in another jurisdiction} information in that jurisdiction as is required by this Part, the reporting issuer may comply with the filing requirements of this Part by filing copies of the press release, timely

disclosure report, information circular or financial statements and auditor's report, as the case may be, required by that jurisdiction provided such releases, reports, circulars or statements are manually signed or certified in accordance with the regulations. *New.*

Order
relieving
small
reporting
issuer

84. Upon the application of a reporting issuer that has fewer than fifteen security holders whose latest address as shown on the books of the reporting issuer is in Ontario, the Commission may order, subject to such terms and conditions as it may impose, that the reporting issuer shall be deemed to have ceased to be a reporting issuer where it is satisfied that to do so would not be prejudicial to the public interest. *New.*

PART XVIII

PROXIES AND PROXY SOLICITATION

Interpre-
tation

85. In this Part,

- (a) "information circular" means an information circular prepared in accordance with the regulations;
- (b) "solicit" and "solicitation" include,
 - (i) any request for a proxy whether or not accompanied by or included in a form of proxy,
 - (ii) any request to execute or not to execute a form of proxy or to revoke a proxy,
 - (iii) the sending or delivery of a form of proxy or other communication to a security holder under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy,
 - (iv) the sending or delivery of a form of proxy to a security holder under section 86,

but do not include,

- (v) the sending or delivery of a form of proxy to a security holder in response to an unsolicited request made by him or on his behalf, or

- (vi) the performance by any person or company of ministerial acts or professional services on behalf of a person or company soliciting a proxy. R.S.O. 1970, c. 426, s. 101 (b, c), *amended*.

86. Subject to section 89, if the management of a reporting issuer gives or intends to give to holders of its voting securities notice of a meeting, the management shall, concurrently with or prior to giving the notice to the security holders whose latest address as shown on the books of the reporting issuer is in Ontario, send by prepaid mail to each such security holder who is entitled to vote at the meeting, at his latest address as shown on the books of the reporting issuer, a form of proxy for use at the meeting that complies with the regulations. R.S.O. 1970, c. 426, s. 102 (1), *amended*. Mandatory solicitation of proxies

87.—(1) Subject to subsection 2 and section 89, no person or company shall solicit proxies from holders of its voting securities whose latest address as shown on the books of the reporting issuer is in Ontario unless, Information circular

(a) in the case of a solicitation by or on behalf of the management of a reporting issuer, an information circular, either as an appendix to or as a separate document accompanying the notice of the meeting, is sent by prepaid mail to each such security holder of the reporting issuer whose proxy is solicited at his latest address as shown on the books of the reporting issuer; or

(b) in the case of any other solicitation, the person or company making the solicitation, concurrently with or prior thereto, delivers or sends an information circular to each such security holder whose proxy is solicited.

(2) Subsection 1 does not apply to,

Application of subs. 1

(a) any solicitation, otherwise than by or on behalf of the management of a reporting issuer, where the total number of security holders whose proxies are solicited is not more than fifteen, two or more persons or companies who are the joint registered owners of one or more securities being counted as one security holder;

(b) any solicitation by a person or company made under section 49; or

- (c) any solicitation by a person or company in respect of securities of which he is the beneficial owner. R.S.O. 1970, c. 426, s. 103 (1, 2), *amended*.

Voting
where
proxies

88. The chairman at a meeting has the right not to conduct a vote by way of ballot on any matter or group of matters in connection with which the form of proxy has provided a means whereby the person or company whose proxy is solicited may specify how such person or company wishes the securities registered in his name to be voted unless,

- (a) a poll is demanded by any security holder present at the meeting in person or represented thereat by proxy; or
- (b) proxies requiring that the securities represented thereby be voted against what would otherwise be the decision of the meeting in relation to such matters or group of matters total more than 5 per cent of all the voting rights attached to all the securities entitled to be voted and be represented at the meeting. R.S.O. 1970, c. 426, s. 106, *amended*.

Compliance
with laws
of other
jurisdiction

89.—(1) Where a reporting issuer is complying with the requirements of the laws of the jurisdiction under which it is incorporated, organized or continued and the requirements are substantially similar to the requirements of this Part, the requirements of this Part do not apply.

Exemption
by order

(2) Subject to subsection 1, upon the application of any interested person or company, the Commission may,

- (a) if a requirement of this Part conflicts with a requirement of the laws of the jurisdiction under which the reporting issuer is incorporated, organized or continued; or
- (b) if otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing,

make an order on such terms and conditions as seem to the Commission just and expedient exempting, in whole or in part, a person or company from the requirements of this Part. *New*.

PART XIX

TAKE-OVER BIDS AND ISSUER BIDS

Interpre-
tation

90.—(1) In this Part,

- (a) "day" means a clear day and a period of days shall be deemed to commence the day following the event which began the period and shall be deemed to terminate on midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate on midnight of the day next following that is not a Sunday or holiday;
- (b) "directors' circular" means a directors' circular prepared in accordance with the regulations;
- (c) "issuer bid" means an offer made by an issuer to purchase, redeem or otherwise acquire any or all of a class of its securities;
- (d) "offeree" means a person or company to whom a take-over bid or an issuer bid is made and whose latest address as shown on the books of the offeree company is in Ontario;
- (e) "offeree company" means a company whose securities are the subject of a take-over bid;
- (f) "offeror" means a person or company other than an agent, who makes a take-over bid or an issuer bid and, in the case of a take-over bid, includes two or more persons or companies,
 - (i) whose take-over bids are made jointly or in concert, or
 - (ii) who intend to exercise jointly or in concert any voting rights attaching to the securities for which a take-over bid is made;
- (g) "offeror's presently-owned securities" means voting securities of an offeree company beneficially owned, directly or indirectly, on the date of a take-over bid by the offeror or an associate of the offeror;
- (h) "take-over bid" means an offer made to security holders the last address of any of whom as shown on the books of the offeree company is in Ontario to purchase, directly or indirectly, such number of voting securities of a company that, together with the offeror's presently-owned securities, will in the aggregate exceed 20 per cent of the outstanding voting securities of the company. R.S.O. 1970, c. 426, s. 81; 1971, c. 31, s. 22, *amended*.

(2) A take-over bid is exempted from the requirements of this Part where, Exempted
take-over
bids

- (a) it is made through the facilities of a stock exchange recognized by the Commission for the purpose of this Part according to the by-laws, regulations or policies of the stock exchange; or
- (b) it is an offer to purchase shares in a private company provided that the private company is not an insider of a reporting issuer. R.S.O. 1970, c. 426, s. 81; 1971, c. 31, s. 22, *amended*.

Exempted
issuer bid

(3) An issuer bid is exempted from the requirements of this Part where,

- (a) the securities are purchased, redeemed or retired in accordance with the terms and conditions agreed to at the time they were issued or subsequently varied by agreement with the security holders of that class;
- (b) the issuer bid is made through the facilities of a stock exchange recognized by the Commission for the purpose of this Part according to the by-laws, regulations or policies of the stock exchange;
- (c) following the publication of a notice of intention in the form and in the manner prescribed by the regulations, the issuer purchases by any method not more than 5 per cent in number or, in the case of debt securities, in value, of the issued securities of a class not held by or for the benefit of the issuer, in the preceding 30 days; or
- (d) the issuer bid is made by a private company. *New.*

Require-
ments for
take-over
and issuer
bids

91.—(1) The following provisions apply to every take-over bid and issuer bid:

1. The take-over bid or issuer bid shall be made to all holders of the securities sought, and, in the case of a take-over bid, to all holders of the voting securities, securities convertible into the voting securities and to all holders of warrants to purchase the voting securities, whose last address on the records of the offeree company or issuer is in Ontario.
2. The period of time in which securities may be deposited pursuant to a take-over bid or an issuer bid shall not be less than twenty-one days from the date thereof.
3. Any securities deposited pursuant to a take-over bid or an issuer bid shall not be taken up and paid for by the offeror until the expiration of ten days from its date.
4. Any securities deposited pursuant to a take-over bid or an issuer bid may be withdrawn by an offeree

at any time until the expiration of ten days from its date.

5. Notice of withdrawal of any securities pursuant to paragraph 4 shall be made in writing, including telegraphic communication, by the offeree or his agent and must be actually received by the depositary.
6. Where a take-over bid or an issuer bid is made for less than all the securities owned by offerees, securities deposited pursuant thereto shall not be taken up and paid for by an offeror until the expiration of twenty-one days from its date.
7. Where a take-over bid or an issuer bid is made for less than all the securities owned by offerees, the period of time within which securities may be deposited pursuant to the take-over bid or an issuer bid, or any extension thereof, shall not exceed thirty-five days from the date of the take-over bid or an issuer bid.
8. Where a take-over bid or an issuer bid is made for less than all the securities owned by offerees, securities deposited pursuant to the take-over bid or an issuer bid shall be taken up and paid for, if all the terms and conditions thereof not waived by the offeror have been complied with, within fourteen days after the last day within which securities may be deposited thereto.
9. Where a take-over bid or an issuer bid is made for less than all the securities owned by offerees and where a greater number of securities is deposited pursuant thereto than the offeror is bound or willing to take up and pay for, the securities taken up by the offeror shall be taken up as nearly as may be *pro rata*, disregarding fractions, according to the number of securities deposited by each offeree.
10. In the case of a take-over bid, where the laws applicable to the company provide for a right of appraisal or acquisition, the offeror shall advise the offeree of his rights of appraisal and whether the offeror intends exercising any right of acquisition he may have.
11. The offeror shall not attach any conditions to the offer except, in the case of take-over bids, the right to withdraw the offer if,
 - (a) the offerees fail to tender the minimum number of securities the offeror is bound and willing to take up;

- (b) any undisclosed action prior to the date of the offer, or any action subsequent to such date, of the offeree company or of the directors or senior officers of the offeree company or by a person or company other than the offeror effects a material change in the affairs of the company; or
- (c) the required approval of a governmental or regulatory authority is not obtained prior to the expiration of the offer.

12. Where the take-over bid or issuer bid is made for all of the securities owned by offerees, the offeror shall, at the expiration of thirty-five days from the making of the offer, take up and pay for the securities tendered at that time or, in the case of a take-over bid, abandon his offer.

13. Where the take-over bid is subject to the approval of a governmental or regulatory authority, the time within which the offeree is bound to take up and make payment for the securities under paragraphs 9 and 13 may be extended for a period not exceeding an additional sixty days. R.S.O. 1970, c. 426, s. 82; 1971, c. 31, s. 23, *amended*.

Sale by
offeror
prohibited

(2) The offeror shall not sell any of the class of the securities that are the subject of the take-over bid during the period of the take-over bid.

Offer
increasing
take-over
bid or
issuer bid

(3) Where, during the course of a take-over bid or an issuer bid, the offeror pays or agrees to pay a price for securities higher than the consideration offered through the take-over bid or issuer bid, the take-over bid or issuer bid shall be deemed to be varied by increasing the consideration to the higher price. *New*.

Notice of
variation in
take-over
bid or
issuer bid

92.—(1) Where a take-over bid or an issuer bid has been varied by changing any of its terms, every person or company that has been sent the take-over bid circular or issuer bid circular shall be sent notice of the variation and the date of the take-over bid or issuer bid shall, for the purposes of section 91, be deemed to be the date of the variation.

Idem

(2) A notice of variation shall advise the offeree of his rights under paragraph 4 of subsection 1 of section 91. *New*.

Variation
of terms of
take-over
bid or
issuer bid

(3) Where the terms of a take-over bid or an issuer bid are varied before the expiration thereof by increasing the consideration offered for the securities, the offeror shall pay such increased consideration to each offeree whose securities are taken up and paid for pursuant to the take-over bid or issuer bid, whether or not such securities have been taken up by

the offeror before the variation of the take-over bid or issuer bid.

(4) Where a take-over bid for all the voting securities^{Idem} owned by offerees is converted, by amendments or otherwise, to a bid for less than all the voting securities owned by offerees, the take-over bid shall be deemed conclusively to be for less than all the voting securities owned by offerees. R.S.O. 1970, c. 426, s. 84, *amended*.

93. All holders of the same class of securities shall be paid the same price and no collateral agreement with any part of such holders shall have the effect, directly or indirectly, of offering such holders a price greater than the take-over bid price or issuer bid price for their securities. *New.*^{Premium prohibited}

94. A take-over bid, a varied take-over bid, an issuer bid or a varied issuer bid shall be sent by prepaid mail to the offerees and shall be deemed conclusively to have been dated as of the date on which it was mailed. R.S.O. 1970, c. 426, s. 83, *amended*.^{Sending by mail}

95. Where a take-over bid or an issuer bid provides that the consideration for the securities deposited pursuant thereto is to be paid in cash or partly in cash, the offeror shall make adequate arrangements to ensure that the required funds are available to effect payment in full for all securities owned by offerees that the offeror has offered to purchase pursuant to the take-over bid. R.S.O. 1970, c. 426, s. 85.^{Consideration in cash}

96.—(1) A take-over bid circular shall form part of or accompany a take-over bid.^{Take-over bid circular}

(2) Every take-over bid circular shall be in the form and shall contain the information prescribed by this Part and the regulations.^{Content}

(3) Where a take-over bid provides that the consideration for the securities of the offeree company is to be, in whole or in part, securities of an issuer, the take-over bid circular shall contain the additional information prescribed by the regulations. R.S.O. 1970, c. 426, s. 86, *amended*.^{Consideration in securities}

97.—(1) An issuer bid circular shall form part of or accompany an issuer bid.^{Issuer bid circular}

(2) Every issuer bid circular shall be in the form and shall contain the information prescribed by this Part and the regulations.^{Contents}

(3) Where an issuer bid provides that the consideration for the securities is to be, in whole or in part, other securities^{Consideration in securities}

of the issuer the issuer bid circular shall contain the additional information prescribed by the regulations. *New.*

Directors'
circular

98.—(1) The board of directors of an offeree company shall send a directors' circular to each offeree not later than seven days from the date of the take-over bid prepared in accordance with the regulations. R.S.O. 1970, c. 426, s. 87 (1), *amended.*

Recom-
mendation
by board

(2) The board of directors may include in a directors' circular a recommendation to accept or to reject a take-over bid if it sees fit to do so. *New.*

Recom-
mendation
by individual
director

(3) An individual director or officer may recommend to the offerees acceptance or rejection of the take-over bid made to such offerees if the director or officer sends to each offeree with his communication a circular prepared in accordance with the regulations. R.S.O. 1970, c. 426, s. 87 (4), *amended.*

Advising of
consideration

(4) Where a board of directors is considering recommending acceptance or rejection of a take-over bid, it shall, at the time of sending a director's circular, advise the offerees of this fact and shall advise them not to tender their securities until further communication is received from the directors. R.S.O. 1970, c. 426, s. 87 (2), *amended.*

Advising
of decision
of directors

(5) Where the board of directors sends a communication under subsection 4, it shall communicate the recommendation or the decision not to make a recommendation to the offerees at least seven days prior to the expiry of the offer. R.S.O. 1970, c. 426, s. 87 (3), *amended.*

Service

(6) All communications required or permitted by this section shall be sent to each offeree by prepaid mail to his latest address as shown on the books of the offeree company. R.S.O. 1970, c. 426, s. 87 (5).

Circulation of
recommenda-
tion of
individual
director

(7) Where an individual director or officer submits a recommendation prepared in accordance with subsection 3 to the board of directors prior to the board of directors sending the directors' circular required by subsection 1, or the further communication permitted by subsection 5, the board of directors shall send a copy of the recommendation of the individual director or officer to the offerees together with the circular or further communication. *New.*

Approval of
circulars

99.—(1) Where a take-over bid is made by or on behalf of an issuer, the contents of the take-over bid circular shall be approved and the delivery thereof authorized

by the directors of the issuer. R.S.O. 1970, c. 426, s. 89 (1), *amended*.

(2) Where a take-over bid is made by or on behalf ^{Idem} of an issuer, the take-over bid circular shall contain a statement that the contents thereof have been approved and the delivery thereof authorized by the directors of the issuer. R.S.O. 1970, c. 426, s. 93.

(3) The contents of a directors' circular shall be ap- ^{Idem} proved and the delivery thereof authorized by the directors of the offeree company. R.S.O. 1970, c. 426, s. 89 (2), *amended*.

100. The issuer bid circular shall be approved and the ^{Idem} delivery thereof authorized by the directors of the issuer. *New*.

101. Upon an application by a person or company, the Commission may exempt, subject to such terms and conditions ^{Deeming offers exempt} as it may impose, the person or company from any requirement of this Part where in its opinion it would not be prejudicial to the public interest to do so. R.S.O. 1970, c. 426, s. 90, *amended*.

102. The identity of the offeror shall be disclosed in a take- ^{Naming of offeror} over bid circular. 1971, c. 31, s. 27, *amended*.

PART XX

INSIDER TRADING AND SELF-DEALING

103.—(1) In this Part,

<sup>Interpre-
tation</sup>

- (a) "mutual fund" means a mutual fund that is a reporting issuer;
- (b) "related mutual funds" includes more than one mutual fund under common management;
- (c) "related person or company" in relation to a mutual fund means a person in whom, or a company in which, the mutual fund, its management company and its distribution company are prohibited by the provisions of this Part from making any investment.

(2) For the purpose of this Part,

^{Idem}

- (a) any issuer in which a mutual fund holds in excess of 10 per cent of the voting securities or in which the

mutual fund and related mutual funds hold in excess of 20 per cent of the voting securities shall be deemed to be a related person or company of that mutual fund or of each of those mutual funds;

- (b) the acquisition or disposition by an insider of a put, call or other transferable option with respect to a security shall be deemed a change in the beneficial ownership of the security to which such put, call or other transferable option relates; and
- (c) for the purpose of reporting under section 104 or 105, ownership shall be deemed to pass at such time as an offer to sell is accepted by the purchaser or his agent or an offer to buy is accepted by the vendor or his agent. R.S.O. 1970, c. 426, s. 109, *amended*.

Report

104.—(1) A person or company who becomes an insider of a reporting issuer, other than a mutual fund, shall, within ten days after the end of the month in which he becomes an insider, file a report as of the day on which he became an insider disclosing any direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer as may be required by the regulations.

Idem

(2) A person or company who has filed or is required to file a report under this section or any predecessor thereof and whose direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer changes from that shown or required to be shown in the report or in the latest report filed by him under this section or any predecessor thereof shall, within ten days following the end of the month in which the change takes place, if he was an insider of the reporting issuer at any time during such month, file a report of his direct or indirect beneficial ownership of or his control or direction over securities of the reporting issuer at the end of the month and the change or changes therein that occurred during said month giving such details of each transaction as may be required by the regulations. R.S.O. 1970, c. 426, s. 110 (1, 2), *amended*.

Idem

(3) A person or company who becomes an insider of a reporting issuer by reason of subsection 8 or 9 of section 1 shall file the reports required by subsections 1 and 2 of this section for the previous six months or such shorter period that he was a director or officer of the reporting issuer within ten days after the end of the month that the issuer became an insider of a reporting issuer or the reporting issuer became

an insider of another reporting issuer as the case may be.
New.

105.—(1) Where a person or company becomes the beneficial owner, directly or indirectly, of voting securities of a reporting issuer carrying 20 per cent or more of the voting rights attached to all voting securities for the time being outstanding, through purchases effected through a take-over bid or issuer bid exempted from the requirements of Part XIX by subsection 2 or subsection 3 of section 90, such person or company shall file a report as of the day on which he acquired the ownership within three days of acquiring such 20 per cent ownership. Report of offeror

(2) A person or company who is the beneficial owner, directly or indirectly, of voting securities of a reporting issuer carrying 20 per cent or more of the voting rights attached to all voting securities for the time being outstanding shall, within three days of purchasing further voting securities carrying an additional 5 per cent of the voting rights, file a report as of the day on which he acquired an additional 5 per cent of the voting rights and thereafter each time he acquires a further 5 per cent. Idem

(3) Where the facts required to be reported by this section are identical to those required under section 104, a separate report under section 104 is not required. 1971, c. 31, s. 33, *amended*. Idem

106. No insider of a reporting issuer shall transfer or cause to be transferred any securities of the reporting issuer into the name of an agent, nominee or custodian without delivering to the Commission a report of such transfer in accordance with the regulations except for a transfer for the purpose of giving collateral for a *bona fide* debt. *New.* Report of transfer by insider

107. Where voting securities are registered in the name of a person or company other than the beneficial owner and the person or company knows or ought to know after reasonable inquiry that they are beneficially owned by an insider he shall file a report in accordance with the regulations except where the transfer was for the purpose of giving collateral for a *bona fide* debt or the insider has reported and remains the beneficial owner of the securities. *New.* Report of transfer by insider

108. For the purposes of sections 109, 110, 111, 112, 113 and 114, Interpretation

- (a) "investment" means a purchase of any security of any class of securities of an issuer including bonds, debentures, notes, or other evidences of indebted-

ness thereof, and a loan to persons or companies but does not include an advance or loan, whether secured or unsecured, that is made by a mutual fund, its management company or its distribution company that is merely ancillary to the main business of the mutual fund, its management company or its distribution company;

- (b) a person or company or a group of persons or companies has a significant interest in an issuer, if,
 - (i) in the case of a person or company, he or it, as the case may be, owns beneficially, either directly or indirectly, more than 10 per cent, or
 - (ii) in the case of a group of persons or companies, they own beneficially, either individually or together and either directly or indirectly, more than 50 per cent,

of the outstanding shares or units of the issuer;

- (c) a person or company or a group of persons or companies is a substantial security holder of an issuer if that person or company or group of persons or companies owns beneficially, either individually or together or directly or indirectly, voting securities to which are attached more than 20 per cent of the voting rights attached to all the voting securities of the issuer for the time being outstanding, but in computing the percentage of voting rights attached to voting securities owned by an underwriter, there shall be excluded any voting securities acquired by him as underwriter in a distribution of such securities but such exclusion ceases to have effect on completion or cessation of the distribution by him;
- (d) where a person or company or group of persons or companies owns beneficially, directly or indirectly, or pursuant to this clause is deemed to own beneficially, voting securities of an issuer, that person or company or group of persons or companies shall be deemed to own beneficially a proportion of voting securities of any other issuer that are owned beneficially, directly or indirectly, by the first mentioned issuer, which proportion shall equal the proportion of the voting securities

of the first mentioned issuer that are owned beneficially, directly or indirectly, or that pursuant to this clause are deemed to be owned beneficially, by that person or company or group of persons or companies. *New.*

109.—(1) No mutual fund shall knowingly make an investment by way of loan to, Loans of mutual funds

- (a) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them;
- (b) any individual, where the individual or an associate of the individual is a substantial security holder of the mutual fund, its management company or distribution company.

(2) No management company or distribution company of a mutual fund shall knowingly make an investment by way of loan to, Loans of management or distribution companies

- (a) any officer or director of the mutual fund or an associate of any of them; or
- (b) any individual, where the individual or associate of the individual is a substantial security holder of the mutual fund.

(3) No mutual fund, its management company or distribution company shall knowingly make an investment, Investments of mutual funds, etc.

- (a) in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company;
- (b) in any person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; or
- (c) in an issuer in which,
 - (i) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or
 - (ii) any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company,

has a significant interest.

Divesting of
prohibited
loans and
investments

(4) No mutual fund or its management company or its distribution company shall knowingly hold an investment made after the coming into force of this Act that is an investment described in this section. *New.*

Limitation
on mutual
fund
investment

110.—(1) Subject to subsection 2, no mutual fund shall purchase securities of any class of an issuer if after the purchase,

- (a) the holdings of the mutual fund exceed 10 per cent of the outstanding securities of that class by number or the holdings of the mutual fund and of related mutual funds exceed 20 per cent of the outstanding securities of that class by number or, in the case of debt securities maturing more than one year from the date of issue, holdings of the mutual fund exceed 10 per cent of the principal amount of the total outstanding debt securities of the issuer or the holdings of the mutual fund and of related mutual funds exceed 20 per cent out of the principal amount of the total outstanding debt securities of the issuer; or
- (b) the holdings of the mutual fund of all of the securities of the issuer exceed 10 per cent by value of the net asset value of such mutual fund.

Exception

(2) A mutual fund may purchase securities in excess of the limits in subsection 1 if the security is,

- (a) a mortgage upon real property, other than a mortgage contained in or secured by a bond, debenture or similar obligation in a trust deed or other instrument to secure bonds or debentures or similar obligations; or
- (b) negotiable promissory notes or other money market instruments maturing not more than six months from the date of issue. *New.*

Indirect
investment

111. No mutual fund or its management company or its distribution company shall knowingly enter into any contract or other arrangement that results in its being directly or indirectly liable or contingently liable in respect of any investment by way of loan to, or other investment in, a person or company to whom it is by section 109 prohibited from making a loan or in which it is prohibited from making any other investment, and for the purpose of section 109 any such contract or other arrangement shall be deemed to be a loan or an investment, as the case may be. *New.*

112. Upon an application of an interested person or company, the Commission may, where it is satisfied, ^{Relieving orders}

- (a) that a class of investment or a particular investment represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of a mutual fund; or
- (b) that a particular investment is in fact in the best interests of a mutual fund,

order, subject to such terms and conditions as it may impose, that section 109, 110 or 111 does not apply to the class of investment, particular investment, contract or other arrangement, as the case may be. *New.*

113. Notwithstanding clause *d* of section 108, a mutual fund, its management company or its distribution company is not prohibited from making an investment in an issuer only because a person or company or a group of persons or companies who own beneficially, directly or indirectly, or are deemed to own beneficially, voting securities of the mutual fund or its management company or its distribution company are by reason thereof deemed to own beneficially voting securities of the issuer. *New.* ^{Exception to s. 108 (d)}

114.—(1) No mutual fund shall make any investment in consequence of which a related person or company of the mutual fund will receive any fee or other compensation except fees paid pursuant to a contract which is disclosed in any preliminary prospectus or prospectus, or any amendment to either of them, that is filed by the mutual fund and is accepted by the Director. ^{Fees on investment}

(2) The Commission may, upon the application of a mutual fund and where it is satisfied that it would not be prejudicial to the public interest to do so, order, subject to such terms and conditions as it may impose, that subsection 1 does not apply to the mutual fund. *New.* ^{Relieving orders}

115.—(1) Every person or company responsible for the management of a mutual fund shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the mutual fund, and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. ^{Standard of care for management of mutual fund}

(2) For the purposes of subsection 1, a person or company is responsible for the management of a mutual fund if he ^{Idem}

has legal power or right to control the mutual fund or if in fact he is able to do so. *New.*

Filing by
management
companies

116.—(1) Every management company shall file a report prepared in accordance with the regulations of,

- (a) every transaction of purchase or sale of securities between the mutual fund and any related person or company;
- (b) every loan received by the mutual fund from, or made by the mutual fund to, any of its related persons or companies;
- (c) every purchase or sale effected by the mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or from both; and
- (d) any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies,

in respect of each mutual fund to which it provides services or advice, within thirty days after the end of the month in which it occurs.

Relieving
orders

(2) The Commission may, upon the application of the management company of a mutual fund and where it is of the opinion that it would not be prejudicial to the public interest to do so, order, subject to such terms and conditions as it may impose, that subsection 1 does not apply to any transaction or class of transactions. *New.*

"Responsible
person"
defined

117.—(1) In this section, "responsible person" means a portfolio manager and every individual who is a partner, director or officer of a portfolio manager together with every affiliate of a portfolio manager and every individual who is a director, officer or employee of such affiliate or who is an employee of the portfolio manager, if the affiliate or the individual participates in the formulation of, or has access prior to implementation to investment decisions made on behalf of or the advice given to the client of the portfolio manager.

Interest of
manager in
investment
portfolio

(2) The portfolio manager shall not knowingly cause any investment portfolio managed by it to,

- (a) invest in any issuer in which a responsible person or an associate of a responsible person is an officer or director unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase;
 - (b) purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager; or
 - (c) make a loan to a responsible person or an associate of a responsible person or the portfolio manager.
- New.*

118. No person or company who has access to information concerning the investment program of a mutual fund or the investment portfolio managed for a client by a portfolio manager shall purchase or sell securities of an issuer for his or its account where the portfolio securities of the mutual fund or the investment portfolio managed for a client by a portfolio manager include securities of that issuer and where the information is used by the person or company for his or its direct benefit or advantage. *New.*

Trades by mutual fund insiders

119. The Commission shall summarize in or as a part of a monthly periodical available to the public on payment of a reasonable fee the information contained in every report filed in compliance with this Part. R.S.O. 1970, c. 426, s. 111 (2).

Publication of summaries of reports

120.—(1) Where the laws of the jurisdiction in which the reporting issuer is incorporated, organized or continued require substantially the same reports in that jurisdiction as are required by this Part, the filing requirements of this Part may be complied with by filing the reports required by the laws of such jurisdiction manually signed or certified in accordance with the regulations. *New.*

Filing in other jurisdiction

(2) Subject to subsection 1, upon the application of an interested person or company, the Commission may,

Exemptions by order of Commission

- (a) if a requirement of this Part conflicts with a requirement of the laws of the jurisdiction under which the reporting issuer is incorporated, organized or continued; or
- (b) if otherwise satisfied in the circumstances of the particular case that there is adequate justification for so doing,

make an order on such terms and conditions as seem to the Commission just and expedient, exempting in whole or in part, a person or company from the requirements of this Part. R.S.O. 1970, c. 426, s. 116 (1), *amended*.

PART XXI

ENFORCEMENT

Offences,
general

121.—(1) Every person or company who,

- (a) makes a statement in any material, evidence or information submitted or given under this Act or the regulations to the Commission, its representative, the Director or any person appointed to make an investigation or audit under this Act that, at the time and in the light of the circumstances under which it is made, is a misrepresentation;
- (b) makes a statement in any application, release, report, preliminary prospectus, prospectus, return, financial statement, information circular, take-over bid circular or other document required to be filed or furnished under this Act or the regulations that, at the time and in the light of the circumstances under which it is made, is a misrepresentation;
- (c) contravenes this Act or the regulations; or
- (d) fails to observe or to comply with any direction, decision, ruling, order or other requirement made under this Act or the regulations,

is guilty of an offence and on summary conviction is liable, in the case of a person, other than an individual, or company, to a fine of not more than \$25,000 and, in the case of an individual, to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

Defence

(2) No person or company is guilty of an offence under clause *a* or *b* of subsection 1 if he or it, as the case may be, did not know and in the exercise of reasonable diligence could not have known that the statement was a misrepresentation.

Directors
and
officers

(3) Where a company or a person other than an individual is guilty of an offence under subsection 1, every director or

officer of such company or person who authorized, permitted, or acquiesced in such offence is also guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year. R.S.O. 1970, c. 426, s. 137 (1-3), *amended*.

122. No proceedings under section 121 shall be instituted except with the consent or under the direction of the Minister. R.S.O. 1970, c. 426, s. 138 (1). Consent of Minister

123. An information in respect of any contravention of this Act may be for one or more offences, and no information, summons, warrant, conviction or other proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences. R.S.O. 1970, c. 426, s. 139. Information containing more than one offence

124.—(1) Where a provincial judge, magistrate or justice of another province or territory of Canada issues a warrant for the arrest of any person on a charge of contravening any provision of a statute of such province or territory similar to this Act, any provincial judge or justice of Ontario within whose jurisdiction that person is or is suspected to be, may, upon satisfactory proof of the handwriting of the provincial judge, magistrate or a justice who issued the warrant, make an endorsement thereon in the form prescribed by the regulations, and a warrant so endorsed is sufficient authority to the person bringing the warrant and to all other persons to whom it was originally directed and to all constables within the territorial jurisdiction of the provincial judge or justice so endorsing the warrant to execute it within that jurisdiction and to take the person arrested thereunder either out of or anywhere in Ontario and to rearrest such person anywhere in Ontario. Execution of warrant issued in another province

(2) Any constable of Ontario or of any other province or territory of Canada who is passing through Ontario having in his custody a person arrested in another province or territory under a warrant endorsed under subsection 1 is entitled to hold, take and rearrest the accused anywhere in Ontario under such warrant without proof of the warrant or the endorsement thereof. R.S.O. 1970, c. 426, s. 149. Prisoner in transit

125.—(1) Where it appears to the Commission that any person or company has failed to comply with or is violating any decision or any provision of this Act or the regulations, the Commission may, notwithstanding the imposition of any penalty in respect of such non-compliance or violation and in addition to any other rights it may have, apply to a judge of the High Court for an order, Order for compliance

- (a) directing the person or company to comply with the decision or provision or restraining the person or company from violating the decision or provision ; and
- (b) directing the directors and senior officers of the person or company to cause the person or company to comply with or to cease violating the decision or provision,

and upon the application the judge may make such order, or such other order as he thinks fit.

Appeal

(2) An appeal lies to the Supreme Court from an order made under subsection 1. R.S.O. 1970, c. 426, s. 143, *amended*.

Order
to cease
trading

126.—(1) The Commission may, where in its opinion such action is in the public interest, order, subject to such terms and conditions as it may impose, that trading shall cease in respect of any securities for such period as is specified in the order. R.S.O. 1970, c. 426, s. 144 (1).

Idem

(2) The Commission may issue a cease trading order under subsection 1 notwithstanding the delivery of a report to it pursuant to subsection 3 of section 76. *New*.

Temporary
order

(3) No order shall be made under subsection 1 or 2 without a hearing unless in the opinion of the Commission the length of time required for a hearing could be prejudicial to the public interest, in which event the Commission may make a temporary order, which shall not be for longer than fifteen days from the date of the making thereof, but the order may be extended for such period as the Commission considers necessary where satisfactory information is not provided to the Commission within the fifteen day period. R.S.O. 1970, c. 426, s. 144 (2), *amended*.

Commission's
discretion to
remove
exemptions

127.—(1) The Commission may, where in its opinion such action is in the public interest, order, subject to such terms and conditions as it may impose, that any or all of the exemptions contained in sections 35, 73 and 74 do not apply to the person or company named in the order.

Temporary
order and
hearing

(2) No order shall be made under subsection 1 without a hearing unless in the opinion of the Commission the length of time required for a hearing could be prejudicial to the public interest, in which event a temporary order may be made which shall not be for longer than fifteen days from the date of the making thereof unless the hearing is com-

menced in which case the Commission may extend the order until the hearing is concluded.

(3) Notice of a temporary order made under subsection 2 shall be given forthwith together with the notice of the hearing under subsection 2 to every person or company who in the opinion of the Commission is directly affected thereby. R.S.O. 1970, c. 426, s. 19 (5-7), *amended*. ^{Notice}

128.—(1) No proceedings under this Part shall be commenced in a court more than one year after the facts upon which the proceedings are based first came to the knowledge of the Commission. ^{Limitation period}

(2) No proceedings under this Act shall be commenced before the Commission more than two years after the facts upon which the proceedings are based first came to the knowledge of the Commission. R.S.O. 1970, c. 426, s. 138 (2, 3), *amended*. ^{Idem}

PART XXII

CIVIL LIABILITY

129.—(1) Where a prospectus together with any amendment to the prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby shall be deemed to have relied on such misrepresentation and has a right of action for rescission or damages against, ^{Liability for misrepresentation in prospectus}

- (a) the issuer or selling security holder;
- (b) each underwriter of the securities who is required to sign the certificate required by section 60;
- (c) every director of the issuer at the time the prospectus or the amendment to the prospectus was filed;
- (d) every person or company whose consent has been filed pursuant to a requirement of the regulations but only with respect to statements or reports that have been made by them; and
- (e) every person or company who signed the prospectus or the amendment to the prospectus other than the persons or companies included in clauses *a* to *d*.

(2) No person or company is liable under subsection 1 if he proves that the purchaser purchased the securities with knowledge of the misrepresentation. ^{Defence}

Idem

(3) No person or company, other than the issuer or selling security holder, is liable under subsection 1 if he proves,

- (a) that the prospectus or the amendment to the prospectus was filed without his knowledge or consent, and that, on becoming aware of its filing, he forthwith gave reasonable general notice that it was so filed;
- (b) that, after the issue of a receipt for the prospectus and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the prospectus or an amendment to the prospectus he withdrew his consent thereto and gave reasonable general notice of such withdrawal and the reason therefor;
- (c) that, with respect to any part of the prospectus or the amendment to the prospectus purporting to be made on the authority of an expert or purporting to be a copy of an extract of a report or evaluation of an expert, he had no reasonable grounds to believe and did not believe that there had been a misrepresentation or that such part of the prospectus or the amendment to the prospectus did not fairly represent the statement of the expert or was not a fair copy of the extract from the report or evaluation of the expert; or
- (d) that, with respect to any part of the prospectus or the amendment to the prospectus purporting to be made on his own authority as an expert or purporting to be a copy of an extract from his own report or evaluation as an expert, he had, after reasonable investigation, reasonable grounds to believe and did believe that there had been no misrepresentation or that such part of the prospectus or the amendment to the prospectus did not fairly represent his statement as an expert or was not a fair copy of or extract from his report or evaluation as an expert and on becoming aware of such use of his statement or report or evaluation he forthwith advised the Commission and gave reasonable general notice that such use had been made and that he would not be responsible for that part of the prospectus or the amendment to the prospectus.

Idem

(4) No person or company, other than the issuer, is liable under subsection 1 if he proves that, with respect to any part of the prospectus or the amendment to the prospectus not purporting to be made on the authority of an expert and not purporting to be a copy of an extract of a report or evaluation

of an expert, he had, after reasonable investigation, reasonable grounds to believe and did believe that there was no misrepresentation.

(5) No underwriter is liable for more than the total public offering price represented by the portion of the distribution underwritten by him. Limitation re underwriters

(6) In an action for damages pursuant to subsection 1, the defendant is not liable for all or any portion of such damages that he proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon. Limitation in action for damages

(7) All or any one or more of the persons or companies specified in subsection 1 are jointly and severally liable, and every person or company who becomes liable to make any payment under this section may recover a contribution from any person or company who, if sued separately, would have been liable to make the same payment. Joint and several liability

(8) In no case shall the amount recoverable under this section exceed the price at which the securities were offered to the public. Limitation re amount recoverable

(9) The right of action for rescission or damages conferred by this section is in addition to and without derogation from any other right the purchaser may have at law. R.S.O. 1970, c. 426, s. 142, *amended*. No derogation of rights

130.—(1) Where a take-over bid circular sent to the offerees of an offeree company as required by Part XIX contains a misrepresentation, every such offeree shall be deemed to have relied on such misrepresentation and has a right of action for rescission or damages against, Liability for misrepresentation in circular

(a) the offeror;

(b) every person who at the time the circular was signed was a director of the offeror; and

(c) each person who signed a certificate in a circular other than the persons included in clause b.

(2) Where a directors' circular or a director's or officer's circular sent to the offerees of an offeree company as required by Part XIX contains a misrepresentation, every such offeree shall be deemed to have relied on such misrepresentation and has a right of action for damages against every director or officer who signed the circular. Idem

- Idem (3) The provisions of subsection 1 apply *mutatis mutandis* where an issuer bid circular contains a misrepresentation.
- Defence (4) No person or company is liable under subsection 1, 2 or 3 if he proves that the offeree had knowledge of the misrepresentation.
- Idem (5) No person or company, other than the offeror, is liable under subsection 1, 2 or 3 if he proves,
- (a) that the take-over bid circular, issuer bid circular, directors' circular or director's or officer's circular, as the case may be, was sent without his knowledge or consent and that, on becoming aware of it, he forthwith gave reasonable general notice that it was so sent;
 - (b) that, after the sending of the take-over bid circular, issuer bid circular, directors' circular or director's or officer's circular, as the case may be, on becoming aware of any misrepresentation in the take-over bid circular, issuer bid circular, directors' circular or director's or officer's circular, he withdrew his consent thereto and gave reasonable general notice of the withdrawal and the reason therefor;
 - (c) that, with respect to every misrepresentation, he had, after reasonable investigation, reasonable grounds to believe and did believe the statement was true and that there was no omission to state a material fact;
 - (d) that, with respect to any part of the circular purporting to be a copy of an extract from a report, opinion, or statement of an expert, he had no reasonable grounds to believe and did not believe that there had been a misrepresentation or that such part of the circular did not fairly represent the report, opinion, or statement of the expert or was not a fair copy of an extract from the report, opinion or statement of the expert; or
 - (e) that, with respect to any part of the circular purporting to be made on his own authority as an expert or purporting to be a copy of an extract from his own report, opinion or statement as an expert, he had, after reasonable investigation, reasonable grounds to believe and did believe that there had been no misrepresentation, or that such part of the circular did not fairly represent his report, opinion or statement as an expert or was not a fair copy of or extract from his report, opinion or statement, and on becoming aware of such use of his

report, opinion or statement, he forthwith advised the Commission and gave reasonable general notice that such use had been made and that he would not be responsible for that part of the circular.

(5) The right of action for rescission or damages conferred by this section is in addition to and without derogation from any other right the offeree may have at law. 1971, c. 31, ss. 29, 45, *amended*. No
derogation
of rights

131. In determining what constitutes reasonable investigation or reasonable grounds for belief for the purposes of subsection 4 of section 129 and clause *c* of subsection 4 of section 130, the standard of reasonableness shall be that required of a prudent man in the circumstances of the particular case. *New*. Standard of
reason-
ableness

132. A person or company who trades in a security in violation of section 54, 66, 72, subsection 4, 5 or 7 of section 73 or section 96 is liable to his purchaser or offeree for rescission or damages. R.S.O. 1970, c. 426, s. 65; 1971, c. 31, s. 20, *amended*. Liability for
unlawful
trade

133.—(1) Every person or company who sells or purchases the securities of a reporting issuer with knowledge of a material change with respect to the reporting issuer that has not been generally disclosed and every person who informs the vendor or purchaser of the material change and every person who directly or indirectly provides the information is liable to compensate the purchaser or vendor of the securities for damages as a result of the trade unless, Liability
where
material
change
undisclosed

- (a) the person or company had reasonable grounds to believe that the material change had been generally disclosed;
- (b) the material change was known or ought reasonably to have been known to the purchaser or vendor; or
- (c) the person or company proves that he did not make use of knowledge of the material change in purchasing or selling the securities.

(2) Any person or company who has access to information concerning the investment program of a mutual fund that is a reporting issuer or the investment portfolio managed for a client by a portfolio manager and uses that information for his or its direct benefit or advantage to purchase or sell securities of an issuer for his or its account where the portfolio securities of the mutual fund or the investment portfolio managed for the client by a portfolio manager include securi- Idem

ties of that issuer is accountable to the mutual fund or the client of the portfolio manager, as the case may be, for any benefit or advantage received or receivable as a result of such purchase or sale.

Account-
ability for
gain

(3) Every person or company referred to in subsection 1 who is also an insider of the reporting issuer, or an associate or affiliate of such insider, is, in addition to the liability imposed by subsection 1, accountable to the reporting issuer for any benefit or advantage received or receivable by the insider or associate or affiliate. R.S.O. 1970, c. 426, s. 65; 1971, c. 31, s. 20, *amended*.

Liability
joint and
several

(4) The liability of the vendor or purchaser and any informer under subsection 1 is joint and several.

Measure of
damages

(5) The measure of damages under subsection 1 is,

(a) if the plaintiff is a purchaser, the price that he paid for the security less the average market price of the security in the sixty-day trading period following general disclosure of the material change; and

(b) if the plaintiff is a vendor, the average market price of the security in the sixty-day trading period following general disclosure of the material change less the price that he received for the security.

Action by
Commission
on behalf
of issuer

134.—(1) Upon application by the Commission or by any person or company who was at the time of a transaction referred to in subsection 1 of section 133 or is at the time of the application a security holder of the reporting issuer, a judge of the High Court may, if satisfied that,

(a) the Commission or the person or company has reasonable grounds for believing that the reporting issuer has a cause of action under subsection 3 of section 133; and

(b) either,

(i) the reporting issuer has refused or failed to commence an action under section 133 within sixty days after receipt of a written request from the Commission or such person or company so to do, or

- (ii) the reporting issuer has failed to prosecute diligently an action commenced by it under section 133,

make an order, upon such terms as to security for costs and otherwise as to the Judge seems fit, requiring the Commission or authorizing such person or company or the Commission to commence or continue an action in the name of and on behalf of the reporting issuer to enforce the liability created by subsection 3 of section 133.

(2) Upon the application by the Commission or any person or company who was at the time of a transaction referred to in subsection 2 of section 133 or is at the time of the application a security holder of the mutual fund, a judge of the High Court may, if satisfied that,

Action by
Commission
on behalf
of mutual
fund

- (a) the Commission or the person or company has reasonable grounds for believing that the mutual fund has a cause of action under subsection 2 of section 133; and

(b) the mutual fund has either,

- (i) refused or failed to commence an action under subsection 2 of section 133 within sixty days after receipt of a written request from the Commission or the person or company so to do, or
- (ii) failed to prosecute diligently an action commenced by it under subsection 2 of section 133,

make an order, upon terms as to security for costs or otherwise as to the judge seems proper, requiring the Commission or authorizing the person or company or the Commission to commence and prosecute or to continue an action in the name of and on behalf of the mutual fund to enforce the liability created by subsection 2 of section 133.

(3) Where an action under subsection 2 or 3 of section 133 is,

Costs

- (a) commenced;
- (b) commenced and prosecuted; or
- (c) continued,

by a board of directors of a reporting issuer, the trial judge or a judge of the High Court may order that the costs properly incurred by the board of directors in commencing, commencing and prosecuting or continuing the action, as the case may be, shall be paid by the reporting issuer, if he is satisfied that the action was *prima facie* in the best interests of the reporting issuer and the security holders thereof.

Action by
Commission
on behalf
of security
holder of the
reporting
issuer

(4) Where an action under subsection 2 or 3 of section 133 is,

- (a) commenced;
- (b) commenced and prosecuted; or
- (c) continued,

by a person or company who is a security holder of the reporting issuer, the trial judge or a judge of the High Court may order that the costs properly incurred by such person or company in commencing, commencing and prosecuting or continuing the action, as the case may be, shall be paid by the reporting issuer, if he is satisfied that,

- (d) the reporting issuer failed to commence the action or had commenced it but had failed to prosecute it diligently; and
- (e) the continuance of the action was *prima facie* in the best interests of the reporting issuer and the security holders thereof.

Idem

(5) Where an action under subsection 2 or 3 of section 133 is,

- (a) commenced;
- (b) commenced and prosecuted; or
- (c) continued,

by the Commission, the trial judge or a judge of the High Court shall order the reporting issuer to pay all costs properly incurred by the Commission in commencing, commencing and prosecuting or continuing the action, as the case may be.

Idem

(6) In determining whether an action or its continuance is *prima facie* in the best interests of a reporting issuer and the

security holders thereof, the judge shall consider the relationship between the potential benefit to be derived from the action by the reporting issuer and the security holders thereof and the cost involved in the prosecution of the action.

(7) Notice of every application under subsection 1 or 2 shall be given to the Commission, the reporting issuer, and the mutual fund, as the case may be, and each of them may appear and be heard thereon. ^{Notice of application}

(8) Every order made under subsection 1 or 2 requiring or authorizing the Commission to commence and prosecute or continue an action shall provide that the reporting issuer or mutual fund, as the case may be, shall co-operate fully with the Commission in the commencement and prosecution or continuation of the action, and shall make available to the Commission all books, records, documents and other material or information known to the reporting issuer or mutual fund or reasonably ascertainable by the reporting issuer or mutual fund relevant to such action. ^{Order to co-operate}

(9) An appeal lies to the Supreme Court from any order made under this section. ^{Appeal} *New.*

135.—(1) If subsection 1 of section 39 applies to a contract and such subsection is not complied with, a person or company who has entered into the contract is entitled to rescission thereof by mailing or delivering written notice of rescission to the registered dealer within sixty days of the date of the delivery of the security to or by the person or company, as the case may be, but, in the case of a purchase by the person or company, only if he is still the owner of the security purchased. ^{Rescission of contract}

(2) If clause *c* of subsection 1 of section 36 applies to a contract and a registered dealer has failed to comply with such subsection by not disclosing that he acted as principal, a person or company who has entered into the contract is entitled to rescission thereof by mailing or delivering written notice of rescission to the registered dealer within seven days of the date of the delivery of the written confirmation of the contract. R.S.O. 1970, c. 426, s. 71 (1, 2), *amended.* ^{Idem}

(3) For the purpose of subsection 2, a confirmation sent by prepaid mail shall be deemed conclusively to have been delivered to the person or company to whom it was addressed in the ordinary course of mail. ^{Service} *New.*

Onus (4) In an action respecting a rescission to which this section applies, the onus of proving compliance with section 36 or 39 is upon the registered dealer.

Limitation period (5) No action respecting a rescission shall be commenced under this section after the expiration of a period of ninety days from the date of the mailing or delivering the notice under subsection 1 or 2. R.S.O. 1970, c. 426, s. 71 (3, 4), *amended*.

Rescission of purchase of mutual fund security **136.**—(1) Every purchaser of a security of a mutual fund may, where the amount of the purchase does not exceed the sum of \$50,000, rescind the purchase by notice given to the registered dealer from whom the purchase was made within forty-eight hours after receipt of the confirmation for a lump sum purchase or within sixty days after receipt of the confirmation for the initial payment under a contractual plan.

Idem (2) The right to rescind a purchase made under a contractual plan may be exercised only with respect to payments scheduled to be made within the time specified in subsection 1 for rescinding a purchase made under a contractual plan.

Notice (3) The notice mentioned in subsection 1 shall be in writing, and may be given by prepaid mail, telegram or other means.

Service (4) A confirmation sent by prepaid mail shall be deemed conclusively to have been received in the ordinary course of mail by the person or company to whom it was addressed.

Reimbursement (5) Every registered dealer from whom the purchase was made shall reimburse the purchaser who has exercised his right of rescission in accordance with this section for the amount of sales charges and fees relevant to the investment of the purchaser in the mutual fund in respect of the shares or units of which the notice of exercise of the right of rescission was given. *New*.

Limitation period for actions **137.**—(1) Unless otherwise provided in this Act, no action shall be commenced to enforce a right created by this Part more than three years after the date of the transaction that gave rise to the liability.

Idem (2) Subject to subsection 1, no action for rescission or damages created by section 129 or 130 shall be commenced more than 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action. *New*.

PART XXIII

GENERAL PROVISIONS

138. A statement as to,

Admissi-
bility in
evidence of
certified
statements

- (a) the registration or non-registration of any person or company;
- (b) the filing or non-filing of any document or material required or permitted to be filed;
- (c) any other matter pertaining to such registration, non-registration, filing or non-filing, or to any such person, company, document or material; or
- (d) the date the facts upon which any proceedings are to be based first came to the knowledge of the Commission,

purporting to be certified by the Commission or a member thereof or by the Director is, without proof of the office or signature of the person certifying, admissible in evidence, so far as relevant, for all purposes in any action, proceeding or prosecution. R.S.O. 1970, c. 426, s. 148, *amended*.

139. The Commission shall make all material filed under this Act or the regulations available for public inspection during its normal business hours. *New.*

Material
available
for
inspection

140.—(1) No action or other proceeding for damages shall be instituted against the Commission or any member thereof, or any officer, servant or agent of the Commission for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under this Act or a regulation, or for any neglect or default in the performance or exercise in good faith of such duty or power. R.S.O. 1970, c. 426, s. 145 (1), *amended*.

Immunity of
Commission
and officers

(2) No person or company has any rights or remedies and no proceedings lie or shall be brought against any person or company for any act or omission done or omitted in compliance or intended compliance with any requirement, order or direction made or given under this Act or the regulations. *New.*

Immunity
re intended
compliance

141. The Lieutenant Governor in Council may make regulations,

Regulations

1. prescribing categories for persons and companies and the manner of allocating persons and companies to categories, and prescribing the form and content of prospectuses, preliminary prospectuses, *pro forma* prospectuses and statements of material facts to be filed by, and financial conditions applicable to, persons and companies in accordance with their categories;
2. prescribing the form and content of financial statements and interim financial statements required to be filed under this Act;
3. prescribing requirements respecting applications for registration and renewal of registration, and providing for the expiration of registrations;
4. classifying registrants into categories and prescribing the terms and conditions of registration of registrants in each category but no registrant shall be included in a category designated as,
 - i. investment dealer, unless he is a member of the Ontario District of the Investment Dealers' Association of Canada,
 - ii. broker, unless he is a member of a stock exchange in Ontario recognized by the Commission,
 - iii. broker-dealer, unless he is a member of the Broker-Dealers' Association of Ontario;
5. regulating the listing and trading of securities and records relating thereto;
6. governing the furnishing of information to the public or to the Commission by a registrant in connection with securities or trades therein;
7. regulating the trading of securities other than on a stock exchange recognized by the Commission;
8. governing the keeping of accounts and records, the preparation and filing of financial statements of the affairs of the security issuers and the audit requirements with respect thereto;
9. respecting fees payable by an issuer to a management company as consideration for investment

advice, alone or together with administrative or management services, provided by the management company to the mutual fund;

10. respecting sales charges imposed by a distribution company or contractual plan service company under a contractual plan on purchasers of shares or units of a mutual fund, and commissions to be paid to salesmen of shares or units of a mutual fund;
11. designating any person or company or any class of persons or companies who shall not be required to obtain registration as an adviser;
12. prescribing the fees payable to the Commission including fees for filing, fees upon applications for registration, fees in respect of audits made by the Commission and other fees in connection with the administration of this Act and the regulations;
13. prescribing the documents, certificates, reports, releases, statements, agreements and other information and the form, content and other particulars relating thereto that are required to be filed, furnished or delivered under this Act and the regulations;
14. prescribing the practice and procedure of investigations under sections 11 and 13;
15. prescribing the forms for use under this Act and the regulations;
16. prescribing trades or securities, in addition to the trades and securities referred to in section 35, in respect of which registration shall not be required;
17. prescribing trades or securities, referred to in section 35 in respect of which there shall cease to be exemption from registration;
18. prescribing trades or securities, in addition to the trades and securities referred to in sections 73 and 74, in respect of which section 54 does not apply;
19. prescribing terms and conditions that shall be contained in an escrow or pooling agreement with respect to securities issued for a consideration other than cash;

20. prescribing the practice and procedure by which the Commission recognizes exempt purchasers under paragraph 4 of subsection 1 of section 35;
21. prescribing the information required or permitted to be distributed under subsection 2 of section 66;
22. respecting the matters referred to in clause *h* of subsection 2 of section 62, and, without limiting the generality of the foregoing, pertaining to requirements as to paid-up capital and surplus, liquidity of assets, ratios of debt to paid-up capital and surplus, audit procedures, the furnishing of interim financial statements and the provisions of trust indentures and the qualifications, rights, duties and obligations of trustees thereunder;
23. respecting the content and distribution of written, printed or visual material and advertising that may be distributed or used by a person or company with respect to a security whether in the course of distribution or otherwise;
24. prescribing the form and content of the reports to be filed under Part XX;
25. respecting any other matter necessary or advisable to carry out effectively the intent and purpose of Part XX;
26. prescribing the form and content of a take-over bid circular, issuer bid circular, directors' circular and a director's or officer's circular required by Part XIX;
27. prescribing a penalty for the early redemption of shares or units of a mutual fund;
28. prescribing the form and content of proxies, information circulars and reports required by Parts XVII and XVIII;
29. permitting the Commission or the Director to exempt any person or company from the provisions of the regulations or vary the provisions as they apply to any person or company. R.S.O. 1970, c. 426, s. 147; 1971, c. 31, s. 46, *amended*.

Commission's
discretion to
revoke or
vary its
decision

142. The Commission may, where in its opinion to do so would not be prejudicial to the public interest, make an order on such terms and conditions as it may impose revoking

or varying any decisions made by it under the Act or the regulations. *New.*

143. Every registration made and receipt for a prospectus^{Continuation of registration} issued under *The Securities Act*, being chapter 426 of the Revised Statutes of Ontario, 1970 and in effect immediately before this Act comes into force, continues in the same manner as if made or issued under this Act. *New.*

144. The following are repealed:

Repeal

1. *The Securities Act*, being chapter 426 of the Revised Statutes of Ontario, 1970.
2. *The Securities Amendment Act, 1971*, being chapter 31.
3. *The Securities Amendment Act, 1973*, being chapter 11.
4. Section 55 of *The Government Reorganization Act, 1972*, being chapter 1.

145. This Act comes into force on a day to be named^{Commencement} by proclamation of the Lieutenant Governor.

146. The short title of this Act is *The Securities Act, 1977*.^{Short title}

An Act to revise The Securities Act

1st Reading

June 29th, 1977

2nd Reading

3rd Reading

THE HON. S. B. HANDLEMAN
Minister of Consumer and
Commercial Relations

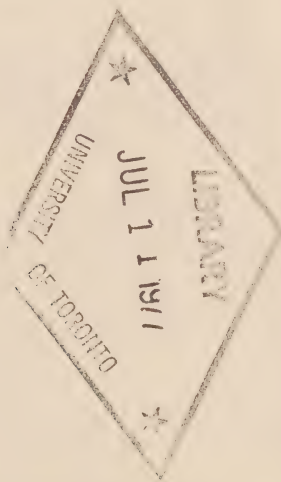
(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Business Corporations Act

THE HON. S. B. HANDLEMAN
Minister of Consumer and Commercial Relations



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EXPLANATORY NOTE

This Bill is complementary to a Bill to enact *The Securities Act, 1977*.

The provisions respecting insider trading and reporting are contained in *The Securities Act, 1977* and deleted from *The Business Corporations Act*. Similarly the provisions for the contents of financial statements for corporations that are offering their securities to the public are deleted and provided for in *The Securities Act, 1977*. Other changes are for the purpose of co-ordinating *The Business Corporations Act* with the new *Securities Act, 1977*.

BILL 31

1977

An Act to amend The Business Corporations Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 3 of subsection 1 of section 1 of *The Business Corporations Act*, being chapter 53 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

3. “associate”, where used to indicate a relationship with any person, means,

- i. any body corporate of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10 per cent of the voting rights attached to all securities of the company for the time being outstanding,
- ii. any partners of that person,
- iii. any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, or
- iv. any relative of such person, including his spouse, or of his spouse who has the same home as such person.

(2) Paragraph 13 of subsection 1 of the said section 1 is repealed.

s. 1 (1),
par. 13,
repealed

(3) Paragraph 15 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

s. 1 (1),
par. 15,
re-enacted

15. “individual” means a natural person, but does not include a partnership, unincorporated association,

unincorporated syndicate, unincorporated organization, trust, or a natural person in his capacity as trustee, executor, administrator or other legal personal representative.

s. 1 (1),
par. 19,
re-enacted

- (4) Paragraph 19 of subsection 1 of the said section 1, as amended by the Statutes of Ontario, 1972, chapter 138, section 1, is repealed and the following substituted therefor:

19. "officer" means the chairman, any vice-chairman of the board of directors, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer and the general manager of a corporation, and any other person designated an officer of a corporation by by-law or by resolution of the directors or any other individual who performs functions for a corporation similar to those normally performed by an individual occupying any such office.

s. 1 (1),
par. 25,
re-enacted

- (5) Paragraph 25 of subsection 1 of the said section 1 is repealed and the following substituted therefor:

25. "senior officer" means,

- i. the chairman or a vice-chairman of the board of directors, the president, a vice-president, the secretary, the treasurer or the general manager of a corporation or any other individual who performs functions for a corporation similar to those normally performed by an individual occupying any such office, and
- ii. each of the five highest paid employees of a corporation, including any individual referred to in subparagraph i.

s. 1 (1),
amended

- (6) Subsection 1 of the said section 1, as amended by the Statutes of Ontario, 1971, chapter 26, section 1, 1972, chapter 1, section 30, 1972, chapter 138, section 1 and 1974, chapter 26, section 1, is further amended by adding thereto the following paragraph:

27a. "voting security" means any security other than a debt security of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

s. 1 (6),
repealed

- (7) Subsection 6 of the said section 1 is repealed.

- (8) Clause *b* of subsection 9 of the said section 1, as re-enacted by the Statutes of Ontario, 1972, chapter 138, section 1, is repealed and the following substituted therefor: s. 1 (9) (b),
re-enacted

(b) any of its securities have been at any time since the 1st day of May, 1967, listed and posted for trading on any stock exchange in Ontario recognized by the Commission, regardless of when such listing and posting for trading commenced,

.

2. Section 41 of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 138, section 14, is repealed. s. 41,
repealed

3. Clause *b* of subsection 2 of section 118 of the said Act is repealed and the following substituted therefor: s. 118 (2) (b),
re-enacted

(b) any solicitation by a person made under section 49 of *The Securities Act, 1977*; and 1977, c. . . .

.

4. Section 148, as amended by the Statutes of Ontario, 1971, chapter 26, section 23, and sections 149, 150, 151 and 152 of the said Act are repealed. ss. 148-152,
repealed

- 5.—(1) Clause *a* of subsection 1 of section 172 of the said Act is amended by inserting after “incorporation” in the third line “reorganization or continuation, as the case may be” and by striking out “completed” in the seventh line. s. 172 (1) (a),
amended

- (2) Clause *b* of subsection 1 of the said section 172 is repealed and the following substituted therefor: s. 172 (1) (b),
re-enacted

(b) in the case of a corporation that is offering its securities to the public, the financial statement required to be filed under *The Securities Act, 1977* and the regulations thereunder relating separately to,

(i) the period that commenced on the date of incorporation, reorganization or continuation, as the case may be, and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, that commenced immediately after the end of the last financial year and ended not more than six months before the annual meeting, as the case may be, and

(ii) the period covered by the financial year next preceding the last financial year, if any.

s. 172 (2),
re-enacted

- (3) Subsection 2 of the said section 172 is repealed and the following substituted therefor:

Designation
of state-
ments

- (2) It is not necessary to designate the statements referred to in clause *a* of subsection 1 as the statement of profit and loss, statement of surplus and balance sheet.

s. 173 (1)
(*a, k, l*),
repealed

- 6.**—(1) Clause *a*, and clauses *k* and *l* as enacted by the Statutes of Ontario, 1971, chapter 26, section 26 and amended by 1972, chapter 138, section 50, of subsection 1 of section 173 of the said Act are repealed.

s. 173 (2),
amended

- (2) Subsection 2 of the said section 173, as amended by the Statutes of Ontario, 1972, chapter 138, section 50, is further amended by striking out "*h, k and l*" in the amendment of 1972 and inserting in lieu thereof "*and h*".

s. 173 (3, 4),
repealed

- (3) Subsections 3 and 4 of the said section 173 are repealed.

ss. 175, 176,
repealed

- 7.** Sections 175 and 176 of the said Act are repealed.

s. 178 (3),
pars. 16,
18-21
repealed

- 8.**—(1) Paragraph 16, and paragraphs 18 to 21 as enacted by the Statutes of Ontario, 1971, chapter 26, section 28, of subsection 3 of section 178 of the said Act are repealed.

s. 178 (4),
repealed

- (2) Subsection 4 of the said section 178, as enacted by the Statutes of Ontario, 1972, chapter 138, section 51, is repealed.

s. 179 (1),
amended

- 9.**—(1) Subsection 1 of section 179 of the said Act is amended by inserting after "corporation" in the second line "to which clause *a* of subsection 1 of section 172 applies".

s. 179 (3),
amended

- (2) Subsection 3 of the said section 179 is amended by inserting after "corporation" in the second line "to which either clause *a* or *b* of subsection 1 of section 172 applies".

s. 185,
re-enacted

- 10.** Section 185 of the said Act, as amended by the Statutes of Ontario, 1971, chapter 26, section 30, is repealed and the following substituted therefor:

Interim
financial
statements
1977, c. . . .

185.—(1) A corporation that is offering its securities to the public shall send to each shareholder a copy of an interim financial statement required to be filed under *The Securities Act, 1977* and the regulations thereunder.

Distribution
to
shareholders

(2) The interim financial statement required by subsection 1 shall be sent by prepaid mail to each shareholder, within sixty days of the date to which it is made up, at his latest address as shown on the records of the corporation.

- 11.** Subsection 2 of section 251 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 67, section 1, is amended by striking out "section 134 of *The Securities Act*" in the second and third lines and in the sixth and seventh lines and inserting in lieu thereof in each instance "sections 78 and 79 of *The Securities Act, 1977*". s. 251 (2),
amended
- 12.**—(1) Subsection 2 of section 260 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 26, section 43, is repealed. s. 260 (2),
repealed
- (2) Subsection 3 of the said section 260 is amended by striking out "subsections 1 and 2" in the first line and inserting in lieu thereof "subsection 1". s. 260 (3),
amended
- 13.** Subsection 2 of section 261 of the said Act is repealed and the following substituted therefor: s. 261 (2),
re-enacted
- (2) Where it appears to the Commission that any person or corporation to which section 117 or subsection 1 of section 118 applies has failed to comply with or is contravening any such provision, the Commission may, notwithstanding the imposition of any penalty in respect of such non-compliance or contravention and in addition to any other rights it may have, apply to the court for an order, Idem
- (a) directing such person or corporation to comply with such provision or restraining such person or corporation from contravening such provision; and
- (b) directing the directors and senior officers of such person or corporation to cause such person or corporation to comply with or to cease contravening any such provision,
- and upon such application, the court may make such order or such other order as the court thinks fit.
- 14.** Section 269 of the said Act is repealed and the following substituted therefor: s. 269,
re-enacted
269. Any person or corporation directly affected by a decision of the Commission under this Act may appeal to the Supreme Court and subsections 2 to 6 of section 9 of *The Securities Act, 1977* apply to the appeal, Appeal
from
Commission
1977, c. ...
- 15.** Clause *e* of section 271 of the said Act is repealed. s. 271 (e),
repealed
- 16.** This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commence-
ment
- 17.** The short title of this Act is *The Business Corporations Amendment Act, 1977*. Short title

An Act to amend
The Business Corporations Act

1st Reading

June 29th, 1977

2nd Reading

3rd Reading

THE HON. S. B. HANDLEMAN
Minister of Consumer and
Commercial Relations

(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

**An Act to regulate
Trading in Commodity Futures Contracts**

THE HON. S. B. HANDLEMAN
Minister of Consumer and Commercial Relations



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EXPLANATORY NOTE

The purpose of the Bill is to regulate, under the Ontario Securities Commission, trading in commodity futures contracts and in those commodity futures options on which performance is guaranteed by a commodity futures exchange or its clearing house by:

1. except for *bona fide* hedging transactions, permitting to be traded in Ontario only those commodity futures contracts and exchange or clearing house guaranteed commodity futures options,
 - i. entered into on a commodity futures exchange registered with or "recognized" by the Ontario Securities Commission; and
 - ii. the form of which has been "accepted" for trading in Ontario by the Director of the Ontario Securities Commission;
2. registering those persons who act as dealers or advisers;
3. providing a regulatory framework within which any commodity futures exchange that might be established in Ontario would be supervised.

Dealt with as securities under *The Securities Act*, would be commodity futures options which are not traded on commodity futures exchanges recognized or registered by the Ontario Securities Commission under *The Commodity Futures Act, 1977*, margin account type contracts, and options on physical commodities offered to the public. Trades in these securities, except those effected by *bona fide* hedgers, would be subject to the registration and prospectus filing requirements of *The Securities Act*.

BILL 32

1977

An Act to regulate Trading in Commodity Futures Contracts

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpre-
tation

1. In this Act,

1. "adviser" means a person or company engaging in or holding himself or itself out as engaging in the business of advising others as to trading in contracts;
2. "*bona fide* hedging transaction" means a purchase or sale of a commodity by way of a commodity futures contract or the acquisition of a right, under a commodity futures option, to enter into a commodity futures contract for the *bona fide* purpose of offsetting the price risks incidental to cash or spot commodity purchases or sales that are a necessary part of the hedger's agricultural, mining, forestry, fishing, processing, manufacturing or commercial activities, under which the hedger,
 - (a) assumes or acquires the right to assume,
 - (i) a short position in relation to a commodity futures contract offset by the present ownership or purchase at a fixed price of,
 - A. a like quantity of the commodity to be delivered under the commodity futures contract,
 - B. an equivalent quantity of a product or by-product of the commodity to be delivered under the commodity futures contract, or

- C. an equivalent quantity of a product from which the commodity to be delivered under the commodity futures contract is derived,
- (ii) a long position in relation to a commodity futures contract that is offset by the forward sale at a fixed price of,
 - A. a like quantity of the commodity to be delivered under the commodity futures contract,
 - B. an equivalent quantity of a product or by-product of the commodity to be delivered under the commodity futures contract, or
 - C. an equivalent quantity of a product from which the commodity to be delivered under the commodity futures contract is derived,
- (iii) a short position in relation to a commodity futures contract offset by a like quantity of the commodity to be delivered under the commodity futures contract the person or company is raising or producing or intends to raise or produce within the next twelve months on or from land owned or leased by that person or company,
- (iv) a long position in relation to a commodity futures contract to fill the anticipated requirements of a processor or manufacturer for the commodity to be delivered under the commodity futures contract or the equivalent quantity of a product or by-product of such commodity for a period of not more than twelve months, or
- (v) liquidating trades in relation to positions assumed in any of the cir-

cumstances set forth in the foregoing,
and

- (b) establishes and liquidates such positions in an orderly manner in accordance with sound commercial practices and in conformity with such regulations as may be prescribed under this Act;
- 3. "clearing house" means an association or organization, whether incorporated or unincorporated, or part of a commodity futures exchange through which trades in contracts entered into on such exchange are cleared;
- 4. "Commission" means the Ontario Securities Commission;
- 5. "commodity" means, whether in the original or a processed state, any agricultural product, forest product, product of the sea, mineral, metal, hydro-carbon fuel, currency or precious stone or other gem, and any goods, article, service, right or interest, or class thereof, designated as a commodity under the regulations;
- 6. "commodity futures contract" means a contract to make or take delivery of a specified quantity and quality, grade or size of a commodity during a designated future month at a price agreed upon when the contract is entered into on a commodity futures exchange pursuant to standardized terms and conditions set forth in such exchange's by-laws, rules or regulations;
- 7. "commodity futures exchange" means an association or organization, whether incorporated or unincorporated, operated for the purpose of providing the physical facilities necessary for the trading of contracts by open auction;
- 8. "commodity futures option" means a right, acquired for a consideration, to assume a long or short position in relation to a commodity futures contract at a specified price and within a specified period of time and any other option of which the subject is a commodity futures contract;
- 9. "company" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

10. "contract" means any commodity futures contract and any commodity futures option;
11. "daily price limits", where used in relation to commodity futures contracts, means the maximum fluctuation in the price at which commodity futures contracts relating to a particular commodity may be entered into during one trading session of a commodity futures exchange pursuant to the by-laws, rules or regulations of the exchange;
12. "daily trading limits", where used in relation to commodity futures contracts, means the maximum number of commodity futures contracts relating to a particular commodity a person or company may be permitted to trade in one day pursuant to the by-laws, rules or regulations of a commodity futures exchange, a direction, decision, order or ruling of that government or agency thereof to the regulation of which the exchange is subject including a decision of the Commission under subsection 2 of section 20, or a decision of the Commission under section 38;
13. "dealer" means a person or company that trades in contracts in the capacity of principal or agent;
14. "decision" means a direction, decision, order, ruling or other requirement made under a power or right conferred by this Act or the regulations;
15. "declaration date", where used in relation to a commodity futures option, means that date on which the option expires;
16. "delivery month", where used in relation to a commodity futures contract, means the designated month within which a commodity futures contract matures and settlement can be effected by the tender and receipt of the commodity or of an instrument evidencing title or the right to such commodity;
17. "Director" means the Director or any Deputy Director of the Commission;
18. "file" means deliver to the Commission;
19. "floor trader" means an individual who is employed by a dealer for the purpose of entering into con-

tracts on the floor of a commodity futures exchange on behalf of such dealer;

20. "liquidating trade" means effecting settlement of a commodity futures contract,
 - (a) in relation to a long position, by assuming an offsetting short position in relation to a contract entered into on the same commodity futures exchange for a like quantity and quality, grade or size of the same commodity deliverable during the same designated future month;
 - (b) in relation to a short position, by assuming an offsetting long position in relation to a contract entered into on the same commodity futures exchange for a like quantity and quality, grade or size of the same commodity deliverable during the same designated future month;
21. "long position", where used in relation to a commodity futures contract, means to be under an obligation to take delivery;
22. "margin" means the minimum dollar amount per contract prescribed under the rules and regulations of the commodity futures exchange on which the contract was entered into or by the Commission that must be deposited with a member of the commodity futures exchange for the purpose of ensuring performance of obligations under the contract;
23. "Minister" means the Minister of Consumer and Commercial Relations or other member of the Executive Council to whom the administration of this Act may be assigned;
24. "misrepresentation" means an untrue statement of material fact or an omission to state a material fact;
25. "officer" means the chairman or any vice-chairman of the board of directors, the president, vice-president, secretary, assistant secretary, treasurer, assistant treasurer or general manager of a company, or any other person designated an officer of a company by by-law or similar authority;

26. "open commodity futures contract" means an outstanding obligation under a commodity futures contract for which settlement has not been effected by the tender and receipt of the commodity or of an instrument evidencing title or the right to such commodity or by a liquidating trade;
27. "open interest", where used in relation to commodity futures contracts, means the total outstanding long positions or the total outstanding short positions, for each delivery month and in aggregate, in commodity futures contracts relating to a particular commodity entered into on a commodity futures exchange;
28. "person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;
29. "position limits", where used in relation to commodity futures contracts, means the maximum amount of any particular commodity with respect to which a person or company may at any time be in long positions or short positions under commodity futures contracts pursuant to the by-laws, rules or regulations of a commodity futures exchange, a direction, decision, order or ruling of that government or agency thereof to the regulation of which the exchange is subject including a decision of the Commission under subsection 2 of section 20, or a decision of the Commission under section 38;
30. "premium", where used in relation to a commodity futures option, means the consideration for which the option is acquired;
31. "register" means register under this Act, and "registered" has a corresponding meaning;
32. "registrant" means a person or company registered or required to be registered under this Act;
33. "regulations" means the regulations made under this Act;
34. "salesman" means an individual who is employed by a dealer for the purpose of making trades in contracts on behalf of such dealer;

35. "Secretary" means the Secretary of the Commission or any individual designated by the Commission to act in the capacity of Secretary;
36. "security" means a security within the meaning of *The Securities Act, 1977*; 1977, c. . . .
37. "settlement price", where used in relation to a commodity futures contract, means the price which is used by a commodity futures exchange or its clearing house to determine, daily, the net gains or losses in the value of open commodity futures contracts;
38. "short position", where used in relation to a commodity futures contract, means to be under an obligation to make delivery;
39. "striking price", where used in relation to a commodity futures option, means the price at which the purchaser of the option has the right to assume a long or short position in relation to the commodity futures contract that is the subject of the option;
40. "trade" or "trading" includes,
 - (a) entering into contracts, whether as principal or agent;
 - (b) acting as a floor trader;
 - (c) any receipt by a registrant of an order to effect a transaction in a contract;
 - (d) any assignment or other disposition of rights under a contract except a disposition arising from the death of an individual enjoying rights under a contract; and
 - (e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of the foregoing;
41. "undermargined" means the circumstances where deposits are, at any time, below the minimum margin prescribed under the rules or regulations of the commodity futures exchange upon which a contract was entered into or by the Commission.

PART I

COMMODITY FUTURES ADVISORY BOARD

Commodity
Futures
Advisory
Board

2.—(1) There shall be a board of not more than five members to be known as The Commodity Futures Advisory Board, the members of which shall be appointed by the Lieutenant Governor in Council and the Lieutenant Governor in Council may designate one of the members to be chairman.

Meetings

(2) The Commodity Futures Advisory Board shall meet at the call of the Commission.

Duties

(3) The Commodity Futures Advisory Board shall, when requested by the Commission, consult with and advise the Commission concerning,

- (a) developments in the nature of contracts and manner of trading; and
- (b) the influence of trading in contracts on the economy of Ontario.

Remunera-
tion

(4) The members of The Commodity Futures Advisory Board shall serve without remuneration, but the Lieutenant Governor in Council may fix a *per diem* allowance to be payable to each member, and every member is entitled to his reasonable and necessary expenses, as certified by the chairman, for attending at meetings and transacting the business of the Board.

PART II

APPOINTMENT OF EXPERTS

Appointment
of experts

3.—(1) The Commission may appoint one or more experts to assist the Commission in such manner as it may consider expedient.

Submissions
to experts

(2) The Commission may submit any agreement, contract, financial statement, report or other document to one or more experts appointed under subsection 1 for examination, and the Commission has the like power to summon and enforce the attendance of witnesses before the expert and to compel them to produce documents, records and things as is vested in the Commission, and subsections 3 and 4 of section 7 apply *mutatis mutandis*.

Payment of
experts

(3) An expert appointed under subsection 1 shall be paid such amounts for services and expenses as the Lieutenant Governor in Council may determine.

PART III

ADMINISTRATIVE PROCEEDINGS, REVIEWS AND APPEALS

4.—(1) The Director shall forthwith notify the Commission^{Notification of decision} of every decision refusing registration under section 23 or refusing to accept the form of a contract under section 36 and the Commission may, within thirty days of the decision, notify the Director and any person or company directly affected of its intention to convene a hearing to review the decision.

(2) Any person or company directly affected by a decision^{Review of Director's decisions} of the Director may, by notice in writing sent by registered mail to the Commission within thirty days after the mailing of the notice of the decision, request and be entitled to a hearing and review thereof by the Commission.

(3) Upon a hearing and review, the Commission may by^{Power on review} order confirm the decision under review or make such other decision as the Commission considers proper.

(4) Notwithstanding that a person or company requests^{Stay} a hearing and review under subsection 2, the decision under review takes effect immediately, but the Commission may grant a stay until disposition of the hearing and review.

5.—(1) Any person or company directly affected by a^{Appeal} decision of the Commission, may appeal to the Supreme Court.

(2) Notwithstanding that an appeal is taken under this^{Stay} section, the decision appealed from takes effect immediately, but the Commission or the Divisional Court may grant a stay until disposition of the appeal.

(3) The Secretary shall certify to the Registrar of the^{Certification of documents} Supreme Court,

- (a) the decision that has been reviewed by the Commission;
- (b) the decision of the Commission, together with any statement of reasons therefor;
- (c) the record of the proceedings before the Commission; and
- (d) all written submissions to the Commission or other material that is relevant to the appeal.

Minister
entitled to
be heard

(4) The Minister is entitled to be heard by counsel or otherwise upon the argument of an appeal under this section.

Powers of
court on
appeal

(5) Where an appeal is taken under this section, the court may by its order direct the Commission to make such decision or to do such other act as the Commission is authorized and empowered to do under this Act or the regulations and as the court considers proper, having regard to the material and submissions before it and to this Act and the regulations, and the Commission shall make such decision or do such act accordingly.

Further
decisions

(6) Notwithstanding an order of the court, on an appeal, the Commission may make any further decision upon new material or where there is a significant change in the circumstances, and every such decision is subject to this section.

Secretary

6.—(1) The Secretary may,

- (a) accept service of all notices or other documents on behalf of the Commission;
- (b) when authorized by the Commission, sign any decision made by the Commission as a result of a hearing;
- (c) certify under his hand any decision made by the Commission or any document, record or thing used in connection with any hearing by the Commission where certification is required for a purpose other than that stated in subsection 3 of section 5; and
- (d) exercise such other powers as are vested in him by this Act or the regulations and perform such other duties as are imposed upon him by this Act or the regulations or by the Commission.

Certification
by
Secretary

(2) A certificate purporting to be signed by the Secretary is, without proof of the office or signature certifying, admissible in evidence, so far as is relevant, for all purposes in any action, proceeding or prosecution.

PART IV

INVESTIGATIONS

Investiga-
tion order

7.—(1) Where upon a statement made under oath it appears probable to the Commission that any person or company has,

- (a) contravened any of the provisions of this Act or the regulations; or
- (b) committed an offence under the *Criminal Code* ^{R.S.C. 1970, c. C-34} (Canada) in connection with a transaction relating to contracts,

the Commission may, by order, appoint any person to make such investigation as it considers expedient for the due administration of this Act, and in the order shall determine and prescribe the scope of the investigation.

(2) The Commission may, by order, appoint any person to make such investigation as it considers expedient for the due administration of this Act or into any matter relating to trading in contracts, and in such order shall determine and prescribe the scope of the investigation. ^{Investigation order}

(3) For the purposes of any investigation ordered under this section, the person appointed to make the investigation may investigate, inquire into and examine, ^{Scope of investigation}

- (a) the affairs of the person or company in respect of which the investigation is being made and any books, papers, documents, correspondence, communications, negotiations, transactions, investigations, loans, borrowings and payments to, by, on behalf of or in relation to or connected with such person or company and any property, assets or things owned, acquired or alienated in whole or in part by such person or company or by any person or company acting on behalf of or as agent for such person or company; and
- (b) the assets at any time held, the liabilities, debts, undertakings and obligations at any time existing, the financial or other conditions at any time prevailing in or in relation to or in connection with any such person or company and the relationship that may at any time exist or have existed between such person or company and any other person or company by reason of investments, commissions promised, secured or paid, interests held or acquired, the loaning or borrowing of money, securities or other property, the transfer, negotiation or holding of securities, interlocking directorates, common control, undue influence or control or any other relationship.

Powers to
summon wit-
nesses and
require
production

(4) The person making an investigation under this section has the same power to summon and enforce the attendance of witnesses and compel them to give evidence on oath or otherwise, and to produce documents, records and things, as is vested in the Supreme Court for the trial of civil actions, and the failure or refusal of a person to attend, to answer questions or to produce such documents, records and things as are in his custody or possession makes the person liable to be committed for contempt by a judge of the Supreme Court as if in breach of an order or judgment of the Supreme Court provided that no provision of *The Evidence Act* exempts any bank or any officer or employee thereof from the operation of this section.

R.S.O. 1970,
c. 151

Counsel

(5) A person giving evidence at an investigation under this section may be represented by counsel.

Seizure
of property

(6) Where an investigation is ordered under this section, the person appointed to make the investigation may seize and take possession of any documents, records, securities, contracts or other property of the person or company whose affairs are being investigated.

Inspection
of seized
documents

(7) Where any documents, records, securities, contracts or other property are seized under subsection 6, such documents, records, securities, contracts or other property shall be made available for inspection and copying by the person or company from whom seized at a mutually convenient time and place if a request for an opportunity to inspect or copy is made by such person or company to the person appointed to make the investigation.

Accountants
and experts

(8) Where an investigation is ordered under this section, the Commission may appoint an accountant or other expert to examine documents, records, properties and matters of the person or company whose affairs are being investigated.

Report of
investiga-
tion

(9) Every person appointed under subsection 1, 2 or 8 shall provide the Commission with a full and complete report of the investigation including any transcript of evidence and material in his possession relating to the investigation.

Report to
Minister

8. Where, upon the report of an investigation made under section 7, it appears to the Commission that any person or company may have,

(a) contravened any of the provisions of this Act or the regulations; or

- (b) committed an offence under the *Criminal Code* (Canada) in connection with a transaction relating to contracts, R.S.C. 1970,
c. C-34

the Commission shall send a full and complete report of the investigation, including the report made to it, any transcript of evidence and any material in the possession of the Commission relating thereto, to the Minister.

9. Notwithstanding section 7, the Minister may, by order, appoint any person to make such investigation as the Minister considers expedient for the due administration of this Act or into any matter relating to trading in contracts, in which case the person so appointed, for the purposes of the investigation, has the same authority, powers, rights and privileges as a person appointed under section 7. Investigation by order
of Minister

10. No person, without the consent of the Commission, shall disclose, except to his counsel, any information or evidence obtained or the name of any witness examined or sought to be examined under section 7 or 9. Evidence not
to be dis-
closed

11. Where an investigation has been made under section 7, the Commission may, and, where an investigation has been made under section 9, the person making the investigation shall report the result thereof, including the evidence, findings, comments and recommendations, to the Minister, and the Minister may cause the report to be published in whole or in part in such manner as he considers proper. Report to
Minister

12.—(1) The Commission may, Order to
freeze
property

- (a) where it is about to order an investigation in respect of a person or company under section 7 or during or after an investigation in respect of a person or company under section 7 or 9;
- (b) where it is about to make or has made a decision suspending or cancelling the registration of any person or company or affecting the right of any person or company to trade in contracts; or
- (c) where criminal proceedings or proceedings in respect of a contravention of this Act or the regulations are about to be or have been instituted against any person or company, that in the opinion of the Commission are connected with or arise out of any contract or any trade therein, or out of any business conducted by such person or company,

in writing or by telegram direct any person or company having on deposit or under control or for safekeeping any funds or securities of the person or company referred to in clause *a*, *b* or *c* to hold such funds or securities or direct the person or company referred to in clause *a*, *b* or *c* to refrain from withdrawing any such funds or securities from any other person or company having any of them on deposit, under control or for safekeeping or to hold all funds or securities of clients or others in his possession or control in trust for any interim receiver, custodian, trustee, receiver or liquidator appointed under the *Bankruptcy Act* (Canada), *The Judicature Act*, *The Corporations Act*, *The Business Corporations Act*, the *Winding-up Act* (Canada) or section 13 of this Act, or until the Commission in writing revokes the direction or consents to release any particular fund or security from the direction, provided that no such direction applies to funds or securities in a commodity futures exchange clearing house, stock exchange clearing house or to securities in process of transfer by a transfer agent unless the direction expressly so states, and in the case of a bank, loan or trust company, the direction applies only to the offices, branches or agencies thereof named in the direction.

R.S.C. 1970,
cc. B-4, W-11,
R.S.O. 1970,
cc. 228, 89,
53

Applica-
tion for
directions

(2) Any person or company named in a direction issued under subsection 1 may, if in doubt as to the application of the direction to particular funds or securities, apply to the Commission for an order of clarification.

Revocation
or amend-
ment of
direction

(3) Upon the application of a person or company directly affected by a direction issued under subsection 1, the Commission may make an order on such terms and conditions as it may impose revoking the direction or consenting to the release of any fund or security.

Appointment
of receiver,
etc.

13.—(1) The Commission may,

- (a) where it is about to order an investigation in respect of a person or company under section 7 or during or after an investigation in respect of a person or company under section 7 or 9;
- (b) where it is about to make or has made a decision suspending or cancelling the registration of any person or company or affecting the right of any person or company to trade in contracts;
- (c) where criminal proceedings or proceedings in respect of a contravention of this Act or the regulations are about to be or have been instituted against any person or company that in the opinion of the Com-

mission are connected with or arise out of any contract or any trade therein, or out of any business conducted by such person or company; or

- (d) where a person or company fails or neglects to comply with the minimum net asset requirements, investment restrictions, ownership restrictions, or capital requirements prescribed by the regulations for such person or company,

apply to a judge of the Supreme Court for the appointment of a receiver, receiver and manager, trustee or liquidator of the property of such person or company.

(2) Upon an application under subsection 1, the judge Appointment may, where he is satisfied that the appointment of a receiver, receiver and manager, trustee or liquidator of all or any part of the property of any person or company is in the best interests of the creditors of any such person or company or of persons or companies any of whose property is in the possession or under the control of such person or company, appoint a receiver, receiver and manager, trustee or liquidator of the property of such person or company.

(3) Upon an *ex parte* application made by the Commission Ex parte application under this section, the judge may make an order under subsection 2 appointing a receiver, receiver and manager, trustee or liquidator for a period not exceeding fifteen days.

(4) A receiver, receiver and manager, trustee or liquidator Powers of receiver, etc. of the property of any person or company appointed under this section shall be the receiver, receiver and manager, trustee or liquidator of all or any part of the property belonging to the person or company or held by the person or company on behalf of or in trust for any other person or company, and the receiver, receiver and manager, trustee or liquidator shall have authority, if so directed by the judge, to wind up or manage the business and affairs of the person or company and all powers necessary or incidental thereto.

(5) An order made under this section may be enforced Enforcement of order in the same manner as any order or judgment of the Supreme Court and may be varied or discharged upon an application made by notice.

(6) Upon an application made under this section, the rules Rules of practice of practice of the Supreme Court apply.

PART V

AUDITS

Audits by
Commission

14.—(1) Notwithstanding anything in sections 15, 16, 17 and 18, the Commission may in writing appoint any person to examine at any time the financial affairs of a registrant or a clearing house of a commodity futures exchange in Ontario and prepare such financial or other statements and reports that may be required by the Commission.

Access to
records

(2) The person making an examination under this section may inquire into and examine all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the registrant or clearing house whose financial affairs are being examined, and no registrant or clearing house shall withhold, destroy, conceal or refuse to give any information or thing reasonably required for the purpose of the examination.

Fees

(3) The Commission may charge such fees as may be prescribed by the regulations for any examination made under this section.

PART VI

SELF REGULATION—GENERALLY

Self-
regulatory
bodies

15.—(1) The Commission may recognize in writing an association or organization composed of registrants, whether incorporated or unincorporated, as a self-regulatory body where it is satisfied that to do so would be in the public interest and that the association or organization has satisfied or can satisfy all conditions with respect to self-regulatory bodies prescribed under the regulations.

Idem

(2) A self-regulatory body recognized under subsection 1 shall, subject to this Act and the regulations and any decision made by the Commission, regulate the standards and business conduct of its members.

Commission's
powers

(3) The Commission may, where it appears to it to be in the public interest, make any decision,

(a) with respect to any by-law, rule or regulation or proposed by-law, rule or regulation of a self-regulatory body recognized under subsection 1;

(b) with respect to any direction, decision, order or ruling made under any by-law, rule or regulation of a self-regulatory body recognized under subsection 1; or

- (c) with respect to any practice of a self-regulatory body recognized under subsection 1.

(4) Any person or company directly affected by any direction, decision, order or ruling made under any by-law, rule or regulation of a self-regulatory body recognized under subsection 1 may apply to the Commission for a hearing and review thereof and section 4 applies to the hearing and review in the same manner as to the hearing and review of a decision of the Director.

16. Every commodity futures exchange in Ontario granted registration by the Commission under section 19 and every self-regulatory body recognized by the Commission under section 15 shall,

- (a) select a panel of auditors, each of whom shall have practised as such in Ontario for not fewer than five years and shall be known as a panel auditor or members' auditor; and
- (b) employ an exchange auditor, association or organization auditor, as the case may be, whose appointment is subject to the approval of the Commission, and the appointee shall be an auditor who has practised as such in Ontario for not fewer than ten years.

17.—(1) Every commodity futures exchange in Ontario granted registration by the Commission and every self-regulatory body recognized by the Commission shall cause each member of such class or classes of their members as the Commission may designate in writing to appoint an auditor from the panel of auditors selected under clause *a* of section 16 and such auditor shall make the examination of the financial affairs of such member as called for by the by-laws, rules or regulations applicable to members of such class or classes and shall report thereon to the exchange auditor, association or organization auditor, as the case may be.

(2) The by-laws, rules and regulations of every commodity futures exchange in Ontario granted registration by the Commission and the by-laws, rules and regulations of every self-regulatory body recognized by the Commission in respect of the practice and procedure of the examinations under subsection 1 are subject to the approval of the Commission and the actual conduct of the examinations shall be satisfactory to the Commission.

Filing of
financial
statements
of registrants

18. Every registrant whose financial affairs are not subject to examination under section 17 shall keep such books and records as are necessary for the proper recording of his business transactions and financial affairs and shall deliver to the Commission annually and at such other time or times as the Commission may require a financial statement satisfactory to the Commission as to his financial position, certified by such registrant or an officer or partner of such registrant and reported upon by the auditor of such registrant, and shall deliver to the Commission such other information as the Commission may require in such form as it may prescribe.

PART VII

COMMODITY FUTURES EXCHANGES IN ONTARIO

Commodity
futures
exchanges in
Ontario

19.—(1) No person or company shall carry on business as a commodity futures exchange in Ontario unless such commodity futures exchange is registered as a commodity futures exchange.

Registration

(2) Upon application by or on behalf of a commodity futures exchange, the Commission shall grant registration to a commodity futures exchange for the purposes of subsection 1 where it is satisfied that to do so would not be prejudicial to the public interest and that,

- (a) the exchange or its clearing house guarantee that all obligations, including those to customers of defaulting members, arising out of contracts entered into on such commodity futures exchange will be met;
- (b) the clearing arrangements made and the financial condition of the commodity futures exchange and its clearing house are such as to ensure that the guarantee referred to in clause *a* can be honoured;
- (c) the rules and regulations applicable to exchange members and clearing house members are in the public interest and are actively enforced;
- (d) floor trading practices are fair and properly supervised;
- (e) adequate measures have been taken to prevent manipulation and excessive speculation;
- (f) adequate provision has been made to record and publish details of trading including volume and open interest; and

- (g) the commodity futures exchange has satisfied or can satisfy all conditions prescribed under the regulations for the conduct of the business of a commodity futures exchange.

(3) The Commission shall not refuse to grant registration Hearing to a commodity futures exchange for the purposes of subsection 1 without giving the applicant an opportunity to be heard.

20.—(1) Every commodity futures exchange in Ontario Filing of by-laws, etc. and its clearing house shall file with the Commission all by-laws, rules, regulations and policies as soon as practicable and in any event within five days of the date on which the by-law, rule, regulation or policy is approved by the board of directors of the commodity futures exchange or its clearing house and prior to approval by the membership of the commodity futures exchange or clearing house.

(2) The Commission may, where it appears to it to be in Commission's powers the public interest, make any decision,

- (a) with respect to the manner in which any commodity futures exchange or its clearing house carries on business;
- (b) with respect to any by-law, rule or regulation of any such commodity futures exchange or its clearing house; or
- (c) with respect to trading on or through the facilities of any such commodity futures exchange or with respect to any contract traded on any such commodity futures exchange including the setting of levels of margin, daily price limits, daily trading limits and position limits.

(3) Any person or company directly affected by any Review of decision of commodity futures exchange direction, order or decision made under any by-law, rule or regulation of a commodity futures exchange in Ontario or its clearing house may apply to the Commission for a hearing and review thereof and section 4 applies to the hearing and review in the same manner as to the hearing and review of a decision of the Director.

21. Every commodity futures exchange and its clearing Records and reports house in Ontario shall keep such records as are necessary for the proper recording of each transaction on such exchange and shall,

- (a) supply to any customer of any member of such commodity futures exchange, upon production of a written confirmation of any transaction with such member, particulars of the time at which the transaction took place and verification or otherwise of the matters set forth in the confirmation; and
- (b) deliver to the Commission at such time or times as the Commission may require reports as to transactions on such exchange in such form as the Commission may prescribe.

PART VIII

REGISTRATION FOR TRADING, ACTING AS ADVISER

Registration
for trading

22.—(1) No person or company shall,

- (a) trade in a contract unless such person or company is registered as a dealer or is registered as a salesman or floor trader or as a partner or as an officer of a registered dealer and is acting on behalf of such dealer;
- (b) act as an adviser unless such person or company is registered as an adviser, or is registered as a partner or as an officer of a registered adviser and is acting on behalf of such adviser,

and such registration has been made in accordance with this Act and the regulations and such person or company has received written notice of such registration from the Director and, where such registration is subject to terms and conditions, the person or company complies with such terms and conditions.

Termination
re salesman
and floor
trader

(2) The termination of the employment of a salesman or floor trader with a registered dealer shall operate as a suspension of the registration of the salesman or floor trader until notice in writing has been received by the Director from another registered dealer of the employment of the salesman or floor trader by such other registered dealer and the re-statement of the registration has been approved by the Director.

Non-trading
employee

(3) The Director may designate as non-trading any employee or class of employees of a registered dealer that does not usually trade in contracts, but the designation may be cancelled as to any employee or class of employees where the

Director is satisfied that any such employee or any member of such class of employees should be required to apply for registration as a salesman.

23.—(1) The Director shall grant registration, renewal of registration, reinstatement of registration or amendment to registration to an applicant except where, Granting of registration

- (a) having regard to the applicant's financial position, he cannot reasonably be expected to be financially responsible in the conduct of his business;
- (b) the past conduct of the applicant, or the officers, directors or partners of the applicant, affords reasonable grounds for belief that his business will not be carried on in accordance with law and with integrity and honesty; or
- (c) the applicant is or will be carrying on activities that are in contravention of this Act or the regulations.

(2) The Director may in his discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing, may restrict the duration of a registration and may restrict the registration to trades in a certain class of contracts. Terms and conditions

(3) The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard. Refusal

24.—(1) The Commission, after giving a registrant an opportunity to be heard, may suspend, cancel, restrict or impose terms and conditions upon the registration or reprimand the registrant where in its opinion such action is in the public interest. Suspension, cancellation, etc.

(2) Where the delay necessary for a hearing under subsection 1 would, in the opinion of the Commission, be prejudicial to the public interest, the Commission may suspend the registration without giving the registrant an opportunity to be heard, in which case it shall forthwith notify the registrant of the suspension and of a hearing and review to be held before the Commission within fifteen days of the date of the suspension, which hearing and review shall be deemed to be a hearing and review under section 4. Interim suspension

(3) Notwithstanding subsection 1, the Commission may, upon an application by a registrant, accept, subject to such Surrender

terms and conditions as it may impose, the voluntary surrender of the registration of the registrant where it is satisfied the financial obligations of the registrant to its clients have been discharged and the surrender of the registration would not be prejudicial to the public interest.

Subsequent
applications

25. A further application for registration may be made upon new or other material or where it is clear that material circumstances have changed.

Application

26. An application for registration shall be made in writing upon a form prescribed by the regulations and provided by the Commission, and shall be accompanied by such fee as may be prescribed by the regulations.

Address
for service

27. Every applicant shall state in the application an address for service in Ontario and, except as otherwise provided in this Act, all notices under this Act or the regulations are sufficiently served for all purposes if delivered or sent by prepaid mail to the latest address for service so stated.

Further
information

28. The Director may require any further information or material to be submitted by an applicant or a registrant within a specified time and may require verification by affidavit or otherwise of any information or material then or previously submitted or may require the applicant or the registrant or any partner, officer, director, governor or trustee of, or any person performing a like function for, or any employee of, the applicant or of the registrant to submit to examination under oath by a person designated by the Director.

Residence

29.—(1) The Director may refuse registration to an individual if he has not been a resident of Canada for at least one year immediately prior to the date of the application for registration and if he is not a resident of Ontario at the date of such application unless at the time of such application such individual is registered in a capacity corresponding to that of a dealer, adviser, partner, officer, salesman or floor trader under the laws of the jurisdiction in which he last resided and has been so registered for a period of not less than one year immediately preceding the date of the application and is, in the opinion of the Director, otherwise suitable for registration.

Idem

(2) The Director may refuse registration to a person or company if any director or officer of such person or company has not been a resident of Canada for at least one year immediately prior to the date of application for registration

and is not a resident of Ontario at the date of such application unless at the time of such application he is registered in a capacity corresponding to that of dealer, adviser, partner, officer or salesman or floor trader under the laws of the jurisdiction in which he last resided and has been so registered for a period of not less than one year immediately preceding the date of the application and is, in the opinion of the Director, otherwise suitable for registration.

30.—(1) Every registered dealer shall, within five days of the event, notify the Director in the form prescribed by the regulations of, ^{Notice of changes}

- (a) any change in address for service in Ontario or any business address;
- (b) any change in,
 - (i) the directors or officers of the registered dealer and in the case of resignation, dismissal, severance or termination of employment or office, the reason therefor, and
 - (ii) the holders of the voting securities of the registered dealer;
- (c) the commencement and termination of employment of every salesman and floor trader and in the case of termination of employment, the reason therefor;
- (d) the opening or closing of any branch office in Ontario and, in the case of the opening of any branch office in Ontario, the name and address of the person in charge thereof; and
- (e) any change in the name or address of the person in charge of any branch office in Ontario.

(2) Every registered adviser, shall, within five days of the event, notify the Director in the form prescribed by the regulations of, ^{Idem}

- (a) any change in address for service in Ontario or any business address; and
- (b) any change in,
 - (i) the directors or officers of the registered adviser and in the case of resignation, dismissal, severance or termination of employment or office, the reason therefor, and

- (ii) the holders of the voting securities of the registered adviser.

Idem

(3) Every registered salesman and floor trader shall, within five days of the event, notify the Director in the form prescribed by the regulations of,

- (a) any change in his address for service in Ontario or in his business address; and
- (b) every commencement and termination of his employment by a registered dealer.

Exemptions

(4) The Director may, upon an application of a registrant, exempt, subject to such terms and conditions as he may impose, the registrant from the requirement of subsections 1 and 2 that the Director be notified of any change in the holders of voting securities of the registrant where in his opinion it would not be prejudicial to the public interest to do so.

PART IX

EXEMPTIONS FROM REGISTRATION REQUIREMENTS

Exemptions
of advisers

31. Registration as an adviser is not required to be obtained by,

R.S.C. 1970,
c. B-1

1974-75,
c. 14 (Can.)

R.S.O. 1970,
cc. 254, 224

(a) a bank to which the *Bank Act* (Canada) applies, or the Federal Business Development Bank incorporated under the *Federal Business Development Bank Act* (Canada), or a trust company registered under *The Loan and Trust Corporations Act*, or an insurance company licensed under *The Insurance Act*;

(b) a lawyer, accountant, engineer, teacher or employee of the Ministry of Agriculture and Food;

(c) a registered dealer, or any partner, officer or employee thereof;

1977, c. ...

(d) a person or company registered as an adviser under *The Securities Act, 1977*, or any partner, officer or employee thereof;

(e) a publisher of or any writer for any *bona fide* newspaper, news magazine or business or financial publication of general and regular paid circulation distributed only to subscribers thereto for value or to purchasers thereof, who gives advice as an adviser

only through such publication and has no interest either directly or indirectly in any of the contracts upon which the advice is given and receives no commission or other consideration for giving the advice,

where the performance of the service as an adviser is solely incidental to their principal business or occupation; or

(f) a person or company registered as a management company under *The Securities Act, 1977*; or 1977, c. ...

(g) such other persons or companies as are designated by the regulations.

32.—(1) Subject to the regulations, registration is not required in respect of, Exemption of trades

(a) a trade in a contract which is a *bona fide* hedging transaction;

(b) a trade in a contract by a person or company acting solely through an agent who is a registered dealer; or

(c) a trade in a commodity futures option in respect of which a preliminary prospectus and a prospectus have been filed and receipts therefor obtained from the Director under *The Securities Act, 1977*.

PART X

RECOGNITION OF COMMODITY FUTURES EXCHANGES AND ACCEPTANCE OF FORM OF CONTRACT

33. No person or company, except to effect a *bona fide* hedging transaction, shall trade in contracts on his own account or on behalf of any other person or company except those, Registration or recognition of commodity futures exchange and acceptance of form of contracts required

(a) traded on a commodity futures exchange, registered by the Commission or recognized by the Commission under this Part; and

(b) the form of which has been accepted by the Director under this Part; or

(c) commodity futures options for which a preliminary prospectus and a prospectus has been filed and receipts therefor obtained from the Director under *The Securities Act, 1977*.

Recognition
of commodity
futures
exchange by
Commission

34.—(1) Upon application by or on behalf of a commodity futures exchange that is situate outside Ontario, the Commission shall recognize such commodity futures exchange where it is satisfied that to do so would not be prejudicial to the public interest and that,

- (a) the exchange or its clearing house guarantee that all obligations, including those to customers of defaulting members, arising out of contracts entered into on such commodity futures exchange will be met;
- (b) the clearing arrangements made and the financial condition of the commodity futures exchange and its clearing house are such as to ensure that the guarantee referred to in clause *a* can be honoured;
- (c) the rules and regulations applicable to exchange members and clearing house members are in the public interest and are actively enforced;
- (d) floor trading practices are fair and properly supervised;
- (e) adequate measures have been taken to prevent manipulation and excessive speculation;
- (f) adequate provision has been made to record and publish details of trading including volume and open interest;
- (g) the exchange and its clearing house have undertaken to comply with section 35; and
- (h) the exchange and its clearing house are subject to regulation by the Government of Canada, any other province of Canada, the United Kingdom or the United States of America, or any agency thereof.

Hearing

(2) The Commission shall not refuse to recognize a commodity futures exchange under this Part without giving the applicant an opportunity to be heard.

Filing of
by-laws, etc.

35. Every commodity futures exchange recognized by the Commission under section 34 and its clearing house shall file with the Commission all by-laws, rules, regulations and policies as soon as practicable and in any event within ten days of the date on which the by-law, rule, regulation or policy is approved by the Board of Directors of the commodity futures exchange or clearing house and prior to approval by

the membership of the commodity futures exchange or clearing house.

36.—(1) Upon application by or on behalf of a commodity futures exchange registered by the Commission, or recognized by the Commission under this Part, and the filing of a copy of all terms and conditions of a contract that it is proposed be traded in Ontario, the Director shall accept the form of contract where he is satisfied that to do so would not be prejudicial to the public interest and that,

Acceptance
of form of
contracts by
Director

- (a) more than occasional use is made or can be reasonably expected to be made of the contract for *bona fide* hedging transactions;
- (b) with respect to a commodity futures contract each term or condition is in conformity with normal commercial practices of the trade in the commodity or if not in such conformity there is reasonable justification therefor;
- (c) with respect to a commodity futures contract satisfactory levels of margin, daily price limits, daily trading limits and position limits are imposed by the commodity futures exchange;
- (d) with respect to a commodity futures option the form of the commodity futures contract that is the subject of the option has been accepted under this Part; and
- (e) with respect to a commodity futures option,
 - (i) performance on exercise of the option is guaranteed by the commodity futures exchange or clearing house,
 - (ii) the premium is held in trust for the option grantor by the commodity futures exchange or clearing house until exercise or expiration of the option or default of the option grantor, and
 - (iii) during the term of the option margin is required by the commodity futures exchange or clearing house from the option grantor as if he had entered into the commodity futures contract which is the subject of the option.

(2) The Director shall not refuse to accept the form of contract without giving the applicant an opportunity to be heard.

Hearing

Terms and conditions of contracts to be available through agent

37.—(1) It is a condition of the acceptance of the form of a contract under section 36 that the commodity futures exchange file with the Commission and, through an agent in Ontario designated by the commodity futures exchange, make available to registrants copies of all current contract terms and conditions.

Idem

(2) Copies of amendments or additions to contract terms and conditions shall be filed with the Commission and supplied to the agent designated by the commodity futures exchange as soon as practicable and in any event within ten days of the date on which the amendment or addition is approved by the Board of Directors of the commodity futures exchange.

Idem

(3) The Director shall not accept the form of a contract until advised by the commodity futures exchange of the name and address of the agent designated for the purposes of subsection 1.

Idem

(4) The commodity futures exchange shall, within five days of the event, notify the Director of any change in the name or address of the agent designated for the purposes of subsection 1.

Order fixing minimum levels of margin, daily trading limits or position limits

38. The Commission, where in its opinion such action is in the public interest, may by order, fix minimum levels of margin, daily trading limits or position limits applicable to commodity futures contracts traded on commodity futures exchanges recognized under section 34.

Order exempting from registration for trading, acceptance of form of contract

39.—(1) The Commission may upon the application of an interested person or company, rule that an intended trade is not subject to section 22 or 33 where it is satisfied to do so will not be prejudicial to the public interest and may impose such terms and conditions as are considered necessary.

Ruling final

(2) A decision of the Commission under this section is final and there is no appeal therefrom.

PART XI

REVOCATION OF REGISTRATION OR RECOGNITION OF COMMODITY FUTURES EXCHANGES AND ACCEPTANCE OF FORM OF CONTRACT

Order revoking registration or recognition of commodity futures exchange or acceptance of form of contract

40.—(1) The Commission may, where in its opinion such action is in the public interest, and, subject to such terms and conditions as it may impose, by order

revoke registration of a commodity futures exchange under Part VII or recognition of a commodity futures exchange under Part X or revoke acceptance of the form of a contract under Part X for such period as is specified in the order.

(2) No order shall be made under subsection 1 without a hearing unless in the opinion of the Commission the length of time required for a hearing could be prejudicial to the public interest, in which event the Commission may make a temporary order, that shall not be for longer than fifteen days from the date of the making thereof, but such order may be extended for such period as the Commission considers necessary where satisfactory information is not provided to the Commission within the fifteen day period.

Temporary
order

PART XII

TRADING GENERALLY

41.—(1) Every registered dealer or adviser shall furnish each prospective customer prior to the opening of his account with a written statement in the form prescribed under the regulations which will,

Statement
to be
furnished to
prospective
customer

- (a) explain the nature of, and risks inherent in trading in contracts and obligations assumed by the customer upon entering a contract;
- (b) advise the client to request and study the terms and conditions of the contract; and
- (c) furnish details concerning commissions and other charges levied by the dealer or adviser.

(2) Every registered dealer or adviser upon the request of a client shall furnish the client with a copy of all current terms and conditions of any contract the form of which has been accepted by the Director under Part X.

Terms and
conditions

42.—(1) Subject to subsections 2 and 3, every registered dealer who acts as an agent in connection with a trade in a commodity futures contract shall require from the customer a margin of not less than the minimum prescribed under the rules or regulations of the commodity futures exchange upon which the contract is traded.

Minimum
margin
required

(2) Subject to subsection 3, where the Commission has made an order with respect to levels of margin under

Idem

section 20 or 38, every registered dealer who acts as an agent in connection with a trade in a commodity futures contract shall require from the customer a margin of not less than the minimum prescribed thereunder.

Margin
greater than
minimum

(3) Notwithstanding subsections 1 and 2, a registered dealer may require from the customer a margin greater than that prescribed under subsection 2 or 3.

Confirmation
of trade re
commodity
futures
contract

43.—(1) Every registered dealer who has acted as an agent in connection with any trade in a commodity futures contract, including a trade upon the exercise of a commodity futures option, shall, promptly send by prepaid mail or deliver to the customer a written confirmation of the transaction, setting forth,

- (a) the date of the transaction;
- (b) the commodity and quantity bought or sold;
- (c) the commodity futures exchange upon which the contract was traded;
- (d) the delivery month and year;
- (e) the price at which the contract was entered into;
- (f) the name of the person or company from or to or through whom the commodity was bought or sold;
- (g) the name of the salesman, if any, in the transaction;
- (h) a clear statement with respect to the obligation of the customer to meet margin calls and the consequence of an account being undermargined.

Coded
identification

(2) For the purposes of clauses *f* and *g* of subsection 1, a person or company or a salesman may be identified in a written confirmation by means of a code or symbols if the written confirmation also contains a statement that the name of the person, company or salesman will be furnished to the customer on request.

Filing
of code

(3) Where a person or company uses a code or symbols for identification in a confirmation under subsection 1, the person or company shall forthwith file the code or symbols and their meaning, and shall notify the Commission within five days of any change in or addition to the code or symbols or their meaning.

(4) Every dealer who has acted as agent in connection with any trade in a commodity futures contract shall promptly disclose to the Commission, upon request by the Commission, the name of the person or company from or to or through whom the commodity was bought or sold. Disclosure
of clients

44. Every registered dealer who has acted as an agent in connection with a liquidating trade in a commodity futures contract shall, on the same day, send by prepaid mail or deliver to the customer in addition to the written confirmation required under section 43, a statement of purchase and sale setting forth, Statement
of purchase
and sale

- (a) the dates of the initial transaction and liquidating transaction;
- (b) the commodity and quantity bought and sold;
- (c) the commodity futures exchange upon which the contracts were traded;
- (d) the delivery month and year;
- (e) the prices on the initial transaction and on the liquidating transaction;
- (f) the gross profit or loss on the transactions;
- (g) the Commission; and
- (h) the net profit or loss on the transaction.

45. So long as any unexpired and unexercised commodity futures option or open commodity futures contract is outstanding in a customer's account, every registered dealer shall promptly send by prepaid mail or deliver to each customer a written statement prepared as of the last business day of each month, setting forth, Monthly
statement

- (a) the opening cash balance for the month in the customer's account;
- (b) all deposits, credits, withdrawals and debits to the customer's account;
- (c) the cash balance in the customer's account as of the last business day of the month;
- (d) each unexpired and unexercised commodity futures option as of the last business day of the month;

- (e) the striking price of each unexpired and unexercised commodity futures option;
- (f) the settlement price as of the last business day of the month of the commodity futures contract that is the subject of each unexpired and unexercised commodity futures option;
- (g) each open commodity futures contract as of the last business day of the month;
- (h) the price at which each open commodity futures contract was entered into;
- (i) the settlement price as of the last business day of the month of each open commodity futures contract;
- (j) the amount that the equity in the account has increased or decreased as a result of the difference between the sums called for under clauses *h* and *i*; and
- (k) the total of the sums called for under clauses *c* and *j*.

Confirmation
of trade re
commodity
futures
option

46.—(1) Every registered dealer who has acted as an agent in connection with any trade in a commodity futures option shall, the same day, send by prepaid mail or deliver to the customer a written confirmation of the transaction setting forth,

- (a) the date of the transaction;
- (b) the type and number of commodity futures options;
- (c) the commodity futures exchange upon which the contract was traded;
- (d) the premium;
- (e) the commodity futures contract that is the subject of the commodity futures option;
- (f) the delivery month and year of the commodity futures contract that is the subject of the commodity futures option;
- (g) the declaration date;

- (h) the striking price;
- (i) the name of the person or company from or through whom the commodity futures option was obtained;
- (j) the commission, if any, charged in respect of the trade; and
- (k) the name of the salesman, if any, in the transaction.

(2) For the purposes of clauses *i* and *k* of subsection 1, a person or company or a salesman may be identified in a written confirmation by means of a code or symbols if the written confirmation also contains a statement that the name of the person, company or salesman will be furnished to the customer on request. ^{Coded identification}

(3) Where a person or company uses a code or symbols for identification in a confirmation under subsection 1, the person or company shall forthwith file the code or symbols and their meaning, and shall notify the Commission within five days of any change in or addition to the code or symbols or their meaning. ^{Filing of code}

(4) Every dealer who has acted as agent in connection with any trade in a commodity futures option shall promptly disclose to the Commission, upon request by the Commission, the name of the person or company from or through whom the commodity futures option was obtained. ^{Disclosure by agent}

47.—(1) All money, securities and property received by a registered dealer to margin, guarantee or secure the trades or contracts of customers and all funds accruing to customers constitute a trust fund in his hands for the benefit of the customers for whom they are held, and the registered dealer is the trustee of all such money, securities, properties and funds so received by him for which he shall separately account and shall not commingle with his funds nor use to margin, guarantee or secure the trades or contracts or to secure or extend the credit of any customer other than the customer for whom such money, securities, property or funds are held. ^{Trust fund}

(2) Notwithstanding subsection 1, the registered dealer may have a residual financial interest in the trust fund and, from time to time, may advance to the trust from his own funds sufficient funds to prevent any and all customers' accounts from becoming undermargined. ^{Idem}

Idem

(3) Notwithstanding subsection 1, where a registered dealer has a residual financial interest in the trust fund or has advanced his own funds to the trust to prevent any customer's account from becoming undermargined, his drawing upon the fund to his own order to the extent of his residual financial interest therein or to the extent of the actual advances made, shall be deemed not to be an appropriation or conversion thereof to his own use or to any use not authorized by the trust.

Reports

48. Every registered dealer shall deliver to the Commission, at such time or times as the Commission may require, reports as to transactions in contracts on its own account or on behalf of any other person or company in such form as the Commission may prescribe.

Order prohibiting calls to residences

49.—(1) The Director may, by order, suspend, cancel, restrict or impose terms and conditions upon the right of any person or company named in the order to,

(a) call at any residence; or

(b) telephone from within Ontario to any residence within or outside Ontario,

for the purpose of trading in any contract.

Hearing

(2) The Director shall not make an order under subsection 1 without giving the person or company affected an opportunity to be heard.

"residence" defined

(3) In this section, "residence" includes any building or part of a building in which the occupant resides either permanently or temporarily and any premises appurtenant thereto.

What constitutes calls

(4) For the purposes of this section, a person or company shall be deemed conclusively to have called or telephoned where an officer, director or salesman of the person or company calls or telephones on his or its behalf.

Representations prohibited

50.—(1) No person or company, with the intention of effecting a trade in a contract, shall make any representation that he or any other person or company,

(a) will refund all or any of the margin or premium; or

(b) assume all or any part of the obligation of another person or company under the contract.

(2) No person or company, with the intention of effecting a trade in a contract, shall give any undertaking, written or oral, relating to the future value of such contract. Future value

51. No registrant shall use the name of another registrant on letterheads, forms, advertisements or signs, as correspondent or otherwise, unless he is a partner, officer or agent of or is authorized so to do in writing by the other registrant. Use of name of another registrant

52. No person or company shall hold himself out as being registered by having printed in a circular, pamphlet, advertisement, letter, telegram or other stationery that he is registered. Registration not to be advertised

53. No person or company who is not registered shall, either directly or indirectly, hold himself out as being registered. Holding out by unregistered person

54. No person or company shall make any representation, written or oral, that the Commission has in any way passed upon the financial standing, fitness or conduct of any registrant or upon the merits of any contract. Advertising approval by Commission

55. Every registered dealer or adviser who recommends a trade in a commodity futures contract in any circular, pamphlet, advertisement, letter, telegram or other publication issued, published or sent by it shall state in type not less legible than that used in the body of the publication whether it has a financial interest, direct or indirect, in the class of commodity futures contract recommended and whether its position is net short or net long. Disclosure of financial interest of dealers and advisers

56.—(1) The Commission may, after giving the registered dealer an opportunity to be heard, and upon being satisfied that the registered dealer's past conduct with respect to the use of advertising and sales literature affords reasonable grounds for belief that it is necessary for the protection of the public to do so, order that a registered dealer shall deliver to the Commission at least seven days before it is used, copies of all advertising and sales literature that the registered dealer proposes to use in connection with trading in contracts. Submission of advertising

(2) For the purposes of this section,

Interpretation

- (a) "advertising" includes television and radio commercials, newspaper and magazine advertisements and all other sales material generally disseminated through the communications media ; and

- (b) “sales literature” includes records, videotapes and similar material, written matter and all other material, except terms and conditions of contracts and the written statement required under section 41, designed for use in a presentation to a customer or prospective customer, whether such material is given or shown to him.

Prohibition
of
advertising

(3) Where the Commission has issued an order under subsection 1, the Director may prohibit the use of the advertising and sales literature so delivered or may require that deletions or changes be made prior to its use.

Rescission
or variation
of order

(4) Where an order has been made under subsection 1, the Commission, on application of the registered dealer at any time after the date thereof, may rescind or vary the order where in its opinion it is not contrary to the public interest to do so.

PART XIII

ENFORCEMENT

Offences,
general

57.—(1) Every person or company that,

- (a) makes a statement in any material, evidence or information submitted or given under this Act or the regulations to the Commission, its representative, the Director or to any person appointed to make an investigation or audit under this Act that, at the time and in the light of the circumstances under which it is made, is a misrepresentation;
- (b) makes a statement in any application, release, report, return, financial statement, or other document required to be filed or furnished under this Act or the regulations that, at the time and in the light of the circumstances under which it is made, is a misrepresentation;
- (c) otherwise contravenes this Act or the regulations; or
- (d) fails to observe or to comply with any direction, decision, ruling, order or other requirement made under this Act or the regulations,

is guilty of an offence and on summary conviction is liable, in the case of a company or a person other than an individual, to a fine of not more than \$25,000 and,

in the case of an individual, to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

(2) No person or company is guilty of an offence under clause *a* or *b* of subsection 1 if he or it, as the case may be, did not know and in the exercise of reasonable diligence could not have known that the statement was a misrepresentation. Defence

(3) Where a company or a person other than an individual is guilty of an offence under subsection 1, every director or officer of such company or person who authorized, permitted, or acquiesced in such offence is also guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000, or to imprisonment for a term of not more than one year. Directors and officers

58. No proceedings under section 57 shall be instituted except with the consent or under the direction of the Minister. Consent of Minister

59. An information in respect of any contravention of this Act may be for one or more offences, and no information, summons, warrant, conviction or other proceeding in any such prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences. Information containing more than one offence

60.—(1) Where a provincial judge, magistrate or justice of another province or territory of Canada issues a warrant for the arrest of any person on a charge of contravening any provision of a statute of such province or territory similar to this Act, any provincial judge or justice of Ontario within whose jurisdiction that person is or is suspected to be, may, upon satisfactory proof of the handwriting of the provincial judge, magistrate or a justice who issued the warrant, make an endorsement thereon in the form prescribed by the regulations, and a warrant so endorsed is sufficient authority to the person bringing the warrant and to all other persons to whom it was originally directed and to all constables within the territorial jurisdiction of the provincial judge or justice so endorsing the warrant to execute it within that jurisdiction and to take the person arrested thereunder either out of or anywhere in Ontario and to rearrest such person anywhere in Ontario. Execution of warrant issued in another province

(2) Any constable of Ontario or of any other province or territory of Canada who is passing through Ontario having in his custody a person arrested in another province Prisoner in transit

or territory under a warrant endorsed under subsection 1 is entitled to hold, take and rearrest the accused anywhere in Ontario under such warrant without proof of the warrant or the endorsement thereof.

Order for
compliance

61.—(1) Where it appears to the Commission that any person or company has failed to comply with or is violating any decision or any provision of this Act or the regulations, the Commission may, notwithstanding the imposition of any penalty in respect of such non-compliance or violation and in addition to any other rights it may have, apply to a judge of the High Court designated by the Chief Justice of the High Court for an order,

- (a) directing such person or company to comply with such decision or provision or restraining such person or company from violating such decision or provision; and
- (b) directing the directors and senior officers of such person or company to cause such person or company to comply with or to cease violating any such decision or provision,

and, upon the application, the judge may make such order or such other order as he thinks fit.

Appeal

(2) An appeal lies to the Supreme Court from an order made under subsection 1.

Limitation
period

62.—(1) No proceedings under this Part shall be commenced in a court more than one year after the facts upon which the proceedings are based first came to the knowledge of the Commission.

Idem

(2) No proceedings under this Act shall be commenced before the Commission more than two years after the facts upon which the proceedings are based first came to the knowledge of the Commission.

PART XIV

GENERAL PROVISIONS

Refunds

63. Where,

- (a) an application for registration or renewal of registration is abandoned;
- (b) an application for recognition of a commodity futures exchange is abandoned; or

- (c) an application for acceptance of the form of contract is abandoned,

the Director may, upon the application of the person or company who made the application recommend to the Treasurer of Ontario that a refund of the fee paid on the making of the application or such part thereof as he considers fair and reasonable be made, and the Treasurer may make such refund from the Consolidated Revenue Fund.

64. A statement as to,

Admissibility
in evidence
of certified
statements

- (a) the registration or non-registration of any person or company;
- (b) the filing or non-filing of any document or material required or permitted to be filed;
- (c) any other matter pertaining to such registration, non-registration, filing or non-filing, or to any such person, company, document or material; or
- (d) the date of the facts upon which any proceedings are to be based first came to the knowledge of the Commission,

purporting to be certified by the Commission or a member thereof, or by the Director is, without proof of the office or signature of the person certifying, admissible in evidence, so far as relevant, for all purposes in any action, proceeding or prosecution.

65. The Commission shall make all material filed under this Act or the regulations available for public inspection during its normal business hours.

Material
available for
inspection

66.—(1) No action or other proceeding for damages shall be instituted against the Commission or any member thereof, or any officer, servant or agent of the Commission for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under this Act or a regulation, or for any neglect or default in the performance or exercise in good faith of such duty or power.

Immunity of
Commission
and officers

(2) No person or company has any rights or remedies and no proceedings lie or shall be brought against any person or company for any act or omission done or omitted in compliance or intended compliance with any requirement,

Immunity re
intended
compliance

order or direction made or given under this Act or the regulations.

Regulations **67.** The Lieutenant Governor in Council may make regulations,

1. prescribing requirements respecting applications for registration and renewal of registration, and providing for the expiration of registrations;
2. classifying registrants into categories and prescribing the terms and conditions of registration of registrants in each category;
3. governing the furnishing of information to the public or to the Commission by a registrant in connection with contracts or trades therein;
4. designating any person or company or any class of persons or companies that shall not be required to obtain registration as an adviser;
5. designating any goods, article, service, right or interest, or class thereof, a commodity;
6. prescribing conditions for the conduct of the business of a commodity futures exchange;
7. prescribing conditions precedent to the recognition of self-regulatory bodies under section 15;
8. prescribing the fees payable to the Commission including fees for filing, fees upon applications for registration, fees in respect of audits made by the Commission and other fees in connection with the administration of this Act and the regulations;
9. prescribing the documents, certificates, reports, releases, statements, agreements and other particulars relating thereto that are required to be filed, furnished or delivered under this Act and the regulations;
10. prescribing the practice and procedure of investigations under sections 7 and 9;
11. prescribing the forms for use under this Act and the regulations;
12. respecting the content and distribution of written,

printed or visual material and advertising that may be distributed or used by a person or company in respect of a contract ;

13. prescribing the form and content of the written statement required by section 41 ;
14. respecting terms of the trust imposed under section 47 ;
15. permitting the Commission or the Director to exempt any person or company from the provisions of the regulations or vary the provisions as they apply to any person or company.

68. The Commission may, where in its opinion to do so would not be prejudicial to the public interest, make an order on such terms and conditions as it may impose revoking or varying any decisions made by it under this Act or the regulations. Commission's discretion to revoke or vary its decision

69. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commencement

70. The short title of this Act is *The Commodity Futures Act, 1977*. Short title

An Act to regulate Trading
in Commodity Futures Contracts

1st Reading

June 29th, 1977

2nd Reading

3rd Reading

THE HON. S. B. HANDLEMAN
Minister of Consumer and
Commercial Relations

(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publication

**An Act to amend
The Proceedings Against the Crown Act**

MR. KENNEDY



EXPLANATORY NOTE

The purpose of this Bill is to clarify the law with respect to the right to garnishee the wages of a Crown employee who is employed by a Crown agency and whose salary or wages are not paid from the Consolidated Revenue Fund by providing that a Crown agency is subject to garnishment proceedings.

BILL 33

1977

**An Act to amend
The Proceedings Against the Crown Act**

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Proceedings Against the Crown Act*, being chapter 365 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section:

25a. Notwithstanding section 25, a Crown agency is subject to garnishment proceedings where the payment of salary or wages is not made from the Consolidated Revenue Fund.

2. This Act comes into force on the day it receives Royal Assent.
3. The short title of this Act is *The Proceedings Against the Crown Amendment Act, 1977*.

An Act to amend
The Proceedings Against the Crown Act

1st Reading

July 4th, 1977

2nd Reading

3rd Reading

MR. KENNEDY

(Private Member's Bill)

112 dw
X 13
- 1356

Ontario. Legislative Assembly

BILL 34

Government Bill

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Public Vehicles Act

THE HON. J. W. SNOW
Minister of Transportation and Communications



EXPLANATORY NOTES

SECTION 1.—Subsection 1. The Bill defines a “car pool vehicle”.

Subsection 2. Section 1 (*g*) of the Act defines “public vehicle”. The effect of the insertion is to exclude “car pool vehicles” from the definition of a public vehicle.

BILL 34

1977

An Act to amend The Public Vehicles Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Section 1 of *The Public Vehicles Act*, being chapter 392^{s. 1, amended} of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1971, chapter 50, section 74, is further amended by adding thereto the following clause:

(aa) “car pool vehicle” means a motor vehicle as defined in *The Highway Traffic Act*,
R.S.O. 1970,
c. 202

- (i) with a seating capacity of not more than twelve persons,
- (ii) while it is operated transporting no more than twelve commuters including the driver, none of whom pay for the transportation more frequently than on a weekly basis,
- (iii) that is not used by any one driver to transport commuters for more than one round trip per day, and
- (iv) the owner, or if the vehicle is subject to a lease, the lessee, of which does not own or lease another car pool vehicle unless he is the employer of a majority of the commuters transported in the vehicles,

but does not include a motor vehicle while being operated by or under contract with a school board or other authority in charge of a school for the transportation of children to or from school.

- (2) Clause g of the said section 1 is amended by inserting^{s. 1(g), amended} after “taxicabs” in the seventh line “car pool vehicles”.

s. 1 (i),
amended

(3) Clause *i* of the said section 1 is amended by inserting after "*Act*" in the second line "other than a car pool vehicle".

Commence-
ment

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. The short title of this Act is *The Public Vehicles Amendment Act, 1977*.

Subsection 3. Section 1 (i) of the Act defines "taxicab". The effect of the insertion is to exclude "car pool vehicles" from the definition of a taxicab.

An Act to amend
The Public Vehicles Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. J. W. SNOW
Minister of Transportation
and Communications

(Government Bill)

BILL 34

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend The Public Vehicles Act

THE HON. J. W. SNOW
Minister of Transportation and Communications



BILL 34

1977

An Act to amend The Public Vehicles Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Section 1 of *The Public Vehicles Act*, being chapter 392^{s. 1, amended} of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1971, chapter 50, section 74, is further amended by adding thereto the following clause:

(aa) “car pool vehicle” means a motor vehicle as defined in *The Highway Traffic Act*,^{R.S.O. 1970, c. 202}

- (i) with a seating capacity of not more than twelve persons,
- (ii) while it is operated transporting no more than twelve commuters including the driver, none of whom pay for the transportation more frequently than on a weekly basis,
- (iii) that is not used by any one driver to transport commuters for more than one round trip per day, and
- (iv) the owner, or if the vehicle is subject to a lease, the lessee, of which does not own or lease another car pool vehicle unless he is the employer of a majority of the commuters transported in the vehicles,

but does not include a motor vehicle while being operated by or under contract with a school board or other authority in charge of a school for the transportation of children to or from school.

- (2) Clause *g* of the said section 1 is amended by inserting^{s. 1 (g), amended} after “taxicabs” in the seventh line “car pool vehicles”.

s. 1 (i),
amended

- (3) Clause *i* of the said section 1 is amended by inserting after "*Act*" in the second line "other than a car pool vehicle".

Commence-
ment

- 2.** This Act comes into force on the day it receives Royal Assent.

Short title

- 3.** The short title of this Act is *The Public Vehicles Amendment Act, 1977*.

An Act to amend
The Public Vehicles Act

1st Reading

July 5th, 1977

2nd Reading

October 25th, 1977

3rd Reading

October 25th, 1977

THE HON. J. W. SNOW
Minister of Transportation
and Communications

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Airports Act

THE HON. J. W. SNOW
Minister of Transportation and Communications

EXPLANATORY NOTES

The Airports Act presently reads as follows:

1. *In this Act,*

(a) "Minister" means the Minister of Transport;

(b) "municipality" includes a metropolitan municipality.

2.—(1) *The Crown in right of Ontario, represented by the Minister, may enter into agreements with the Government of Canada and any municipality, corporation or individual, or any one or more of them, with respect to any matter in relation to the establishment, extension, improvement or maintenance of airports to serve any one or more areas in Ontario.*

(2) *Any municipality may enter into agreements under subsection 1.*

3. *The Minister, with the approval of the Lieutenant Governor in Council, may provide funds to any municipality, corporation or individual for the purposes of acquiring by purchase, lease or otherwise any land or interest in land or any equipment, apparatus or thing that may be required for the establishment, extension, improvement or maintenance of any airport in respect of which an agreement has been entered into under section 2.*

4. *The Minister may acquire, establish, operate and maintain airports and landing grounds to serve any one or more areas in Ontario.*

5. *The moneys required for the purposes of this Act shall be paid out of the moneys appropriated therefor by the Legislature.*

SECTIONS 2 AND 3. The new subsection 1 of section 2 of the Act,

(a) combines sections 2 (1) and 3 of the Act;

(b) clarifies that the subject-matter of an authorized agreement may include construction of or within an airport; and

(c) permits the subsidization of all matters which are part of an authorized agreement rather than only the acquisition of land or equipment.

SECTION 4. The new subsection 1 of section 4 of the Act clarifies the existing section 4 of the Act by adding the word "construct".

Subsections 2 and 3 of the new section 4 of the Act are self-explanatory.

BILL 35

1977

An Act to amend The Airports Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Airports Act*, being chapter 17 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 1 (a),
re-enacted

(a) "Minister" means the Minister of Transportation and Communications.

2. Subsection 1 of section 2 of the said Act is repealed and the following substituted therefor: s. 2 (1),
re-enacted

(1) The Crown in right of Ontario, represented by the Minister, may enter into agreements with the Government of Canada, any municipality, corporation or individual, or any one or more of them, with respect to any matter in relation to the acquisition, establishment, extension, improvement, construction, operation or maintenance of airports to serve any one or more areas in Ontario, and the Minister, with the approval of the Lieutenant Governor in Council, may provide funds to the municipality, corporation or individual for such purposes. Authoriza-
tion for
agreements
and
provision
of funds

3. Section 3 of the said Act is repealed. s. 3,
repealed

4. Section 4 of the said Act is repealed and the following substituted therefor: s. 4,
re-enacted

4.—(1) The Minister may acquire, establish, construct, operate and maintain airports and landing grounds to serve any one or more areas in Ontario. Power of
Minister to
establish
airports

(2) The Minister may set apart any part of an airport or landing ground which is under his jurisdiction and control or any building, premises or structure thereon, or any part Leasing of
airport
facilities

thereof, for a limited use and may lease the same at such rental and upon such terms and conditions as he considers proper.

Idem

(3) A lease under subsection 2 for a term of twenty-one years or longer is subject to the approval of the Lieutenant Governor in Council.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. The short title of this Act is *The Airports Amendment Act, 1977*.

An Act to amend
The Airports Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. J. W. SNOW
Minister of Transportation
and Communications

(*Government Bill*)

BILL 35

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend The Airports Act

THE HON. J. W. SNOW
Minister of Transportation and Communications



An Act to amend The Airports Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Airports Act*, being chapter 17 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 1 (a),
re-enacted

(a) "Minister" means the Minister of Transportation and Communications.

2. Subsection 1 of section 2 of the said Act is repealed and the following substituted therefor: s. 2 (1),
re-enacted

(1) The Crown in right of Ontario, represented by the Minister, may enter into agreements with the Government of Canada, any municipality, corporation or individual, or any one or more of them, with respect to any matter in relation to the acquisition, establishment, extension, improvement, construction, operation or maintenance of airports to serve any one or more areas in Ontario, and the Minister, with the approval of the Lieutenant Governor in Council, may provide funds to the municipality, corporation or individual for such purposes. Authorization for agreements and provision of funds

3. Section 3 of the said Act is repealed. s. 3,
repealed

4. Section 4 of the said Act is repealed and the following substituted therefor: s. 4,
re-enacted

4.—(1) The Minister may acquire, establish, construct, operate and maintain airports and landing grounds to serve any one or more areas in Ontario. Power of Minister to establish airports

(2) The Minister may set apart any part of an airport or landing ground which is under his jurisdiction and control, or any building, premises or structure thereon, or any part Leasing of airport facilities

thereof, for a limited use and may lease the same at such rental and upon such terms and conditions as he considers proper.

Idem

(3) A lease under subsection 2 for a term of twenty-one years or longer is subject to the approval of the Lieutenant Governor in Council.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. The short title of this Act is *The Airports Amendment Act, 1977*.

An Act to amend
The Airports Act

1st Reading

July 5th, 1977

2nd Reading

October 25th, 1977

3rd Reading

October 25th, 1977

THE HON. J. W. SNOW
Minister of Transportation
and Communications

1ST SESSION, 31ST LEGISLATURE, ONTARIO
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**An Act to amend certain Acts respecting
Regional Municipalities**

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Intergovernmental Affairs



EXPLANATORY NOTES

GENERAL

The Bill amends ten of the Acts that establish various regional municipalities and is divided into the following Parts:

- PART I — Ottawa-Carleton (ss. 1-4).
PART II — Niagara (ss. 5-8).
PART III — York (ss. 9-12).
PART IV — Waterloo (ss. 13-16).
PART V — Sudbury (ss. 17-20).
PART VI — Peel (ss. 21-24).
PART VII — Halton (ss. 25-29).
PART VIII — Hamilton-Wentworth (ss. 30-33).
PART IX — Durham (ss. 34-37).
PART X — Haldimand-Norfolk (ss. 38-41).

The following four numbered paragraphs describe amendments that are common to all ten of the regional municipalities.

1. *Sections 1, 5, 9, 13, 17, 21, 25, 30, 34, 38.*

The effect of the re-enactment is to remove the requirement of a two-thirds vote of the Regional Council to remove the auditor for cause: a simple majority will now suffice. An example of the subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the Regional Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.*

2. *Sections 3 (1), 7 (1, 2), 11 (1, 2), 15 (1), 19 (1), 23 (1), 27 (1), 32 (1), 36 (1), 40 (1).*

The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required "to meet expenditures incurred"; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. An example of the two subsections to be re-enacted, showing underlined the restriction to be removed is set out below:

(1) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized and may by by-law pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*

(2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of an area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.*

3. Sections 3 (2), 7 (3), 11 (3), 15 (2), 19 (2), 23 (2), 27 (2), 32 (2), 36 (2), 40 (2).

The subsection to be added will permit the signature of the chairman and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

4. Sections 4, 8, 12, 16, 20, 24, 28, 33, 37, 41.

The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the Regional Corporation to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the subsection added is to enable the Regional Corporation to accept gifts or bequests of money for this and other purposes.

The sections mentioned below apply only to the regional municipalities of Ottawa-Carleton, Niagara, York, Waterloo and Sudbury.

Sections 2, 6, 10, 14, 18.

The effect of the re-enactment is to permit the mechanical reproduction of the signature of the treasurer on promissory notes if the note is countersigned by some other person authorized by by-law to countersign it; an example of the subsection in the form in which it is proposed to be re-enacted, showing underlined the words to be added, is set out below:

(5a) *The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any*

other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

The sections mentioned below apply only to the regional municipalities of Peel, Halton, Hamilton-Wentworth, Durham and Haldimand-Norfolk.

Sections 22, 26, 31, 35, 39.

An example of the section being replaced, as it now reads, is set out below:

91.—(1) Section 332 of The Municipal Act applies mutatis mutandis to the Regional Council.

(2) In 1974, for the purposes of subsection 4 of section 332 of The Municipal Act, the amount that may be borrowed at any one time prior to the adoption of the estimates for that year shall be such amount as may be approved by the Minister.

The effect of the re-enactment is to replace the cross-reference to *The Municipal Act* provisions regarding temporary borrowing for current purposes with this newly-written section. It is substantially the same as *The Municipal Act* provisions, but removes the requirement that the Regional treasurer provide to the lender a copy of the borrowing by-law a statement showing the amount of the year's uncollected revenues and also the amount of any unpaid temporary borrowings. In addition, the re-enactment allows the mechanical signature of promissory notes by the Regional chairman, and where authorized by by-law, mechanical signature by the Regional treasurer.

Section 29 of the Bill applies only to the Regional Municipality of Halton. Section 138 of the Act now reads as follows:

138.—(1) The Halton County Museum together with the assets and liabilities thereof vest, on the 1st day of January, 1974, in the Regional Corporation.

(2) The Halton County Museum Board is dissolved on the 1st day of January, 1974, and all the assets and liabilities thereof vest in the Regional Corporation.

The subsection to be added remedies an oversight by deeming the Museum Association to have been dissolved on the same date the Museum Board was dissolved and the assets of the Museum vested in the Regional Corporation.

BILL 36

1977

An Act to amend certain Acts respecting Regional Municipalities

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

1. Subsection 1 of section 25 of *The Regional Municipality of Ottawa-Carleton Act*, being chapter 407 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 25 (1).
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation. Appointment
of auditors

2. Subsection 5a of section 95 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 138, section 14, is repealed and the following substituted therefor: s. 95 (5a).
re-enacted

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Idem

s. 99 (1, 2),
re-enacted

- 3.—(1) Subsections 1 and 2 of section 99 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 99,
amended

- (2) The said section 99 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 124 (1),
re-enacted

- 4.—(1) Subsection 1 of section 124 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 6, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, section 333, paragraphs 3, 10, 11, 12, 24 and 41 of section 352 and section 391 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 124, as amended by the Statutes of Ontario, 1973, chapter 138, section 19 and 1976, chapter 70, section 6, is further amended by adding thereto the following subsection:

(5a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. s. 124, amended
Application of
R.S.O. 1970.
c. 280, s. 13

PART II

THE REGIONAL MUNICIPALITY OF NIAGARA

5. Subsection 1 of section 25 of *The Regional Municipality of Niagara Act*, being chapter 406 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation. Appointment
of auditors

6. Section 130 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 51, section 11, is further amended by adding thereto the following subsection:

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Idem

- 7.—(1) Subsection 1 of section 134 of the said Act is repealed and the following substituted therefor: s. 134 (1),
re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of Borrowing
pending
issue and
sale of
debentures

such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 134 (2),
re-enacted

- (2) Subsection 2 of the said section 134, as re-enacted by the Statutes of Ontario, 1972, chapter 51, section 12, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 134,
amended

- (3) The said section 134, as amended by the Statutes of Ontario, 1972, chapter 51, section 12, is further amended by adding thereto the following subsection:

Signature of
chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 154 (1),
re-enacted

- 8.—(1) Subsection 1 of section 154 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 11, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242*a*, 248*a*, 249 and 254, subsection 3 of section 308, and sections 333 and 348, paragraphs 3, 10, 11, 12, 24 and 41 of section 352, paragraph 61 of subsection 1 of section 354 and section 394 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 154,
amended

- (2) The said section 154, as amended by the Statutes of Ontario, 1971, chapter 77, section 8 and 1976, chapter 70,

section 11, is further amended by adding thereto the following subsection:

(7a) The Regional Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. ^{R.S.O. 1970. c. 280, s. 13}

PART III

THE REGIONAL MUNICIPALITY OF YORK

9. Subsection 1 of section 25 of *The Regional Municipality of York Act*, being chapter 408 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: ^{s. 25 (1), re-enacted}

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation. ^{Appointment of auditors}

10. Subsection 5a of section 125 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 156, section 6, is repealed and the following substituted therefor: ^{s. 125 (5a), re-enacted}

(5a) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 11.—(1) Subsection 1 of section 129 of the said Act is repealed and the following substituted therefor: ^{s. 129 (1), re-enacted}

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan. ^{Borrowing pending issue and sale of debentures}

s. 129 (2),
re-enacted

- (2) Subsection 2 of the said section 129, as re-enacted by the Statutes of Ontario, 1972, chapter 78, section 16, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 129,
amended

- (3) The said section 129, as amended by the Statutes of Ontario, 1972, chapter 78, section 16, is further amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 149 (1),
re-enacted

- 12.—**(1) Subsection 1 of section 149 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 18, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 246, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 149,
amended

- (2) The said section 149, as amended by the Statutes of Ontario, 1971, chapter 75, section 7, 1972, chapter 78, section 19 and 1976, chapter 70, section 18, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART IV

THE REGIONAL MUNICIPALITY OF WATERLOO

13. Subsection 1 of section 26 of *The Regional Municipality of Waterloo Act, 1972*, being chapter 105, is repealed and the following substituted therefor: s. 26 (1),
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards. Appointment
of auditors

14. Subsection 5a of section 133 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 137, section 7, is repealed and the following substituted therefor: s. 133 (5a),
re-enacted

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Idem

- 15.—(1) Subsections 1 and 2 of section 137 of the said Act are repealed and the following substituted therefor: s. 137 (1, 2),
re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality Idem

shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 137,
amended

- (2) The said section 137 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 158 (1),
re-enacted

- 16.**—(1) Subsection 1 of section 158 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 24, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 246, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 158,
amended

- (2) The said section 158, as amended by the Statutes of Ontario, 1973, chapter 137, section 9, 1974, chapter 5, section 2 and 1976, chapter 70, section 24, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART V

THE REGIONAL MUNICIPALITY OF SUDBURY

s. 26 (1),
re-enacted

- 17.** Subsection 1 of section 26 of *The Regional Municipality of Sudbury Act*, 1972, being chapter 104, is repealed and the following substituted therefor:

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards. ^{Appointment of auditors}

- 18.** Subsection 5a of section 91 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 139, section 10, is repealed and the following substituted therefor: ^{s. 91 (5a), re-enacted}

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. ^{Idem}

- 19.—**(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor: ^{s. 94 (1, 2), re-enacted}

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. ^{Borrowing pending issue and sale of debentures}

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality. ^{Idem}

s. 94.
amended

- (2) The said section 94 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 115 (1),
re-enacted

- 20.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 30, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 115,
amended

- (2) The said section 115, as amended by the Statutes of Ontario, 1973, chapter 139, section 11, 1974, chapter 117, section 31 and 1976, chapter 70, section 30, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART VI

THE REGIONAL MUNICIPALITY OF PEELE

s. 26 (1),
re-enacted

- 21.** Subsection 1 of section 26 of *The Regional Municipality of Peel Act*, 1973, being chapter 60, is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

22. Section 91 of the said Act is repealed and the following ^{s. 91.} substituted therefor: ^{re-enacted}

91.—(1) The Regional Council may by by-law, either ^{Current} before or after the passing of by-laws for imposing levies on ^{borrowings} the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

(2) The amount that may be borrowed at any one time ^{Limit upon} for the purposes mentioned in subsection 1, together with any ^{borrowings} similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

(3) Until such estimates are adopted, the limitation upon ^{Temporary} borrowing prescribed by subsection 2 shall temporarily be ^{application of} calculated upon the estimated revenues of the Regional Cor- ^{estimates of} poration as set forth in the estimates adopted for the next ^{preceding} year.

(4) The lender is not bound to establish the necessity of ^{Protection} borrowing the sum lent or to see to its application. ^{of lender}

(5) Any promissory note made under the authority of this ^{Execution of} section shall be sealed with the seal of the Regional Corporation ^{promissory} and signed by the chairman or by some other person ^{notes} authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

(6) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

R.S.O. 1970,
c. 118

s. 95 (1, 2),
re-enacted

23.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the

purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality. Idem

(2) The said section 95 is amended by adding thereto the following subsection: s. 95, amended

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Signature of chairman, etc., may be mechanically reproduced

24.—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 36, is repealed and the following substituted therefor: s. 115 (1), re-enacted

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. Application of R.S.O. 1970, c. 284

(2) The said section 115, as amended by the Statutes of Ontario, 1974, chapter 5, section 3, 1974, chapter 117, section 37, and 1976, chapter 70, section 36, is further amended by adding thereto the following subsection: s. 115, amended

Application
of
R.S.O. 1970,
c. 280, s. 13

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART VII

THE REGIONAL MUNICIPALITY OF HALTON

s. 26 (1),
re-enacted

- 25.** Subsection 1 of section 26 of *The Regional Municipality of Halton Act, 1973*, being chapter 70, is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

- 26.** Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
or preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application. Protection of lender

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent. Execution of promissory notes

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Idem

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender. Creation of charge

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer. Execution of agreements

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalty for excess borrowings

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by Regional Council

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

R.S.O. 1970,
c. 118

s. 95 (1, 2),
re-enacted

27.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95,
amended

(2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such

loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 28.—(1) Subsection 1 of section 115 of the said Act, as re-enacted ^{s. 115 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 70, section 42, is repealed and the following substituted therefor:

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, ^{Application of R.S.O. 1970. c. 284} subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 115, as amended by the Statutes of ^{s. 115, amended} Ontario, 1974, chapter 5, section 4, 1974, chapter 117, section 42 and 1976, chapter 70, section 42, is further amended by adding thereto the following subsection:

(6a) The Regional Corporation shall be deemed to be a ^{Application of R.S.O. 1970. c. 280, s. 13} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

29. Section 138 of the said Act, as amended by the Statutes of ^{s. 138, amended} Ontario, 1973, chapter 162, section 10, is further amended by adding thereto the following subsection:

(3) The Halton County Museum Association is deemed to ^{County Museum Association deemed dissolved} have been dissolved on the 1st day of January, 1974 and all the assets and liabilities thereof vested in the Regional Corporation.

PART VIII

THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

30. Subsection 1 of section 26 of *The Regional Municipality of Hamilton-Wentworth Act, 1973*, being chapter 74, is repealed ^{s. 26 (1), re-enacted} and the following substituted therefor:

(1) The Regional Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation

and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

31. Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by

by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender. Creation of charge

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer. Execution of agreements

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalty for excess borrowings

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by Regional Council

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists. Saving as to penalties R.S.O. 1970, c. 118

32.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor: s. 95 (1, 2). re-enacted

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95,
amended

(2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 115 (1),
re-enacted

33.—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 48, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 115, as amended by the Statutes of Ontario, 1974, chapter 5, section 5, 1974, chapter 117, section 47, 1976, chapter 70, section 48 and 1976, chapter 84, section 2, is further amended by adding thereto the following subsection:

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. s. 115, amended
Application of
R.S.O. 1970,
c. 280, s. 13

PART IX

THE REGIONAL MUNICIPALITY OF DURHAM

- 34.** Subsection 1 of section 26 of *The Regional Municipality of Durham Act, 1973*, being chapter 78, is repealed and the following substituted therefor: s. 26 (1),
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards. Appointment
of auditors

- 35.** Section 99 of the said Act is repealed and the following substituted therefor: s. 99,
re-enacted

99.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation. Current
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year. Limit upon
borrowings

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of

the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists. Saving as to penalties R.S.O. 1970, c. 118

36.—(1) Subsections 1 and 2 of section 103 of the said Act are repealed and the following substituted therefor: s. 103 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing pending issue and sale of debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality. Idem

(2) The said section 103 is amended by adding thereto the following subsection: s. 103, amended

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 123 (1),
re-enacted

37.—(1) Subsection 1 of section 123 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 55, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250 and 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 123,
amended

(2) The said section 123, as amended by the Statutes of Ontario, 1973, chapter 147, section 10, 1974, chapter 5, section 6, 1974, chapter 117, section 52 and 1976, chapter 70, section 55, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART X

THE REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK

s. 26 (1),
re-enacted

38. Subsection 1 of section 26 of *The Regional Municipality of Haldimand-Norfolk Act*, 1973, being chapter 96, is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

39. Section 95 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, is repealed and the following substituted therefor:

95.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

s. 95.
re-enacted

Current
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Limit upon
borrowings

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Temporary
application
of estimates
of preceding
year

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Protection
of lender

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Execution of
promissory
notes

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may

Idem

be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

R.S.O. 1970.
c. 118

s. 99 (1, 2).
re-enacted

40.—(1) Subsections 1 and 2 of section 99 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, are repealed and the following substituted therefor:

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

Idem

(2) The said section 99 is amended by adding thereto the following subsection:

s. 99,
amended

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Signature
of chairman,
etc., may be
mechanically
reproduced

41.—(1) Subsection 1 of section 119 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4 and re-enacted by 1976, chapter 70, section 61, is repealed and the following substituted therefor:

s. 119 (1),
re-enacted

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66, 67 and 74 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

Application
of
R.S.O. 1970,
c. 284

s. 119,
amended

- (2) The said section 119, as amended by the Statutes of Ontario, 1974, chapter 117, section 57 and 1976, chapter 70, section 61, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

- (7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

MISCELLANEOUS

Commence-
ment

- 42.** This Act comes into force on the day it receives Royal Assent.

Short title

- 43.** The short title of this Act is *The Regional Municipalities Amendment Act, 1977*.

An Act to amend certain Acts respecting
Regional Municipalities

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

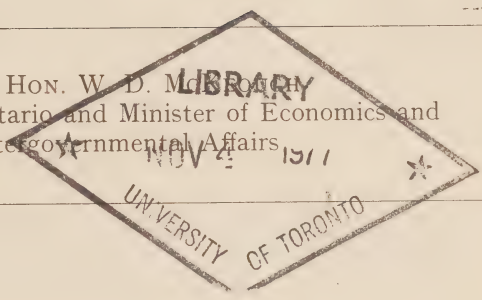
(Government Bill)

CH 24N
XB
- B & C

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend certain Acts respecting
Regional Municipalities**

THE HON. W. D. MACKAY
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

GENERAL

The Bill amends ten of the Acts that establish various regional municipalities and is divided into the following Parts:

- PART I — Ottawa-Carleton (ss. 1-6).
- PART II — Niagara (ss. 7-10).
- PART III — York (ss. 11-15).
- PART IV — Waterloo (ss. 16-21).
- PART V — Sudbury (ss. 22-26).
- PART VI — Peel (ss. 27-31).
- PART VII — Halton (ss. 32-37).
- PART VIII — Hamilton-Wentworth (ss. 38-42).
- PART IX — Durham (ss. 43-47).
- PART X — Haldimand-Norfolk (ss. 48-52).

The following four numbered paragraphs describe amendments that are common to all ten of the regional municipalities.

1. *Sections 2, 7, 12, 18, 23, 28, 33, 39, 44, 49.*

The effect of the re-enactment is to remove the requirement of a two-thirds vote of the Regional Council to remove the auditor for cause: a simple majority will now suffice. An example of the subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the Regional Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.*

2. *Sections 4 (1), 9 (1, 2), 14 (1, 2), 20 (1), 25 (1), 30 (1), 35 (1), 41 (1), 46 (1), 51 (1).*

The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required "to meet expenditures incurred"; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. An example of the two subsections to be re-enacted, showing underlined the restriction to be removed is set out below:

(1) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized and may by by-law pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*

(2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of an area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.*

3. *Sections 4 (2), 9 (3), 14 (3), 20 (2), 25 (2), 30 (2), 35 (2), 41 (2), 46 (2), 51 (2).*

The subsection to be added will permit the signature of the chairman and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

4. *Sections 6, 10, 15, 21, 26, 31, 36, 42, 47, 52.*

The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the Regional Corporation to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the subsection added is to enable the Regional Corporation to accept gifts or bequests of money for this and other purposes.



The sections mentioned below apply to all the regional municipalities, with the exception of Niagara.

Sections 1, 11, 17, 22, 27, 32, 38, 43, 48.

The provision to be added will permit the Lieutenant Governor in Council to alter the method of the selection of members of Regional Council where necessary following a Municipal Board order dealing with wards or the composition of the council of an area municipality.



The sections mentioned below apply only to the regional municipalities of Ottawa-Carleton, Niagara, York, Waterloo and Sudbury.

Sections 3, 8, 13, 19, 24.

The effect of the re-enactment is to permit the mechanical reproduction of the signature of the treasurer on promissory notes if the

note is countersigned by some other person authorized by by-law to countersign it; an example of the subsection in the form in which it is proposed to be re-enacted, showing underlined the words to be added, is set out below:

- (5a) *The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.*

The sections mentioned below apply only to the regional municipalities of Peel, Halton, Hamilton-Wentworth, Durham and Haldimand-Norfolk.

Sections 29, 34, 40, 45, 50.

An example of the section being replaced, as it now reads, is set out below:

- 91.—(1) *Section 332 of The Municipal Act applies mutatis mutandis to the Regional Council.*
- (2) *In 1974, for the purposes of subsection 4 of section 332 of The Municipal Act, the amount that may be borrowed at any one time prior to the adoption of the estimates for that year shall be such amount as may be approved by the Minister.*

The effect of the re-enactment is to replace the cross-reference to *The Municipal Act* provisions regarding temporary borrowing for current purposes with this newly-written section. It is substantially the same as *The Municipal Act* provisions, but removes the requirement that the Regional treasurer provide to the lender a copy of the borrowing by-law a statement showing the amount of the year's uncollected revenues and also the amount of any unpaid temporary borrowings. In addition, the re-enactment allows the mechanical signature of promissory notes by the Regional chairman, and where authorized by by-law, mechanical signature by the Regional treasurer.



Section 5 of the Bill applies only to the Regional Municipality of Ottawa-Carleton.

Its effect is to remove the present section 100b from Part VII of the Act headed "Finances" to Part IX of the Act headed "Miscellaneous", in which Part the section more properly belongs; the section confers on the Regional Municipality the power to acquire and develop land for regional parks.

Section 16 of the Bill applies only to the Regional Municipality of Waterloo. Its effect is to annex a small portion of the City of Kitchener to the City of Waterloo.



Section 37 of the Bill applies only to the Regional Municipality of Halton. Section 138 of the Act now reads as follows:

- 138.—(1) *The Halton County Museum together with the assets and liabilities thereof vest, on the 1st day of January, 1974, in the Regional Corporation.*

- (2) *The Halton County Museum Board is dissolved on the 1st day of January, 1974, and all the assets and liabilities thereof vest in the Regional Corporation.*

The subsection to be added remedies an oversight by deeming the Museum Association to have been dissolved on the same date the Museum Board was dissolved and the assets of the Museum vested in the Regional Corporation.

BILL 36


1977


An Act to amend certain Acts respecting Regional Municipalities

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

-  1. *The Regional Municipality of Ottawa-Carleton Act*, being ^{s. 7b, enacted} chapter 407 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section:

7b. Notwithstanding section 4, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under section 7a. 

2. Subsection 1 of section 25 of the said Act is repealed and the ^{s. 25 (1), re-enacted} following substituted therefor:

(1) The Regional Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation.

3. Subsection 5a of section 95 of the said Act, as enacted by the ^{s. 95 (5a), re-enacted} Statutes of Ontario, 1973, chapter 138, section 14, is repealed and the following substituted therefor:

(5a) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped,

lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 99 (1. 2).
re-enacted

- 4.—(1) Subsections 1 and 2 of section 99 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 99.
amended

- (2) The said section 99 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

5. Section 100*b* of the said Act, as enacted by the Statutes of Ontario, 1975, chapter 46, section 5, is renumbered as section 124*a*. ^{s. 100*b*, renumbered}

6.—(1) Subsection 1 of section 124 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 6, is repealed and the following substituted therefor: ^{s. 124 (1), re-enacted}

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242*a*, 248*a*, 249 and 254, subsection 3 of section 308, section 333, paragraphs 3, 10, 11, 12, 24 and 41 of section 352 and section 391 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. ^{Application of R.S.O. 1970, c. 284}

(2) The said section 124, as amended by the Statutes of Ontario, 1973, chapter 138, section 19 and 1976, chapter 70, section 6, is further amended by adding thereto the following subsection: ^{s. 124, amended}

(5*a*) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. ^{Application of R.S.O. 1970, c. 280, s. 13}

PART II

THE REGIONAL MUNICIPALITY OF NIAGARA

7. Subsection 1 of section 25 of *The Regional Municipality of Niagara Act*, being chapter 406 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: ^{s. 25 (1), re-enacted}

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation. ^{Appointment of auditors}

8. Section 130 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 51, section 11, is further amended by adding thereto the following subsection: ^{s. 130, amended}

(5*a*) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such ^{Idem}

promissory note is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 134 (1),
re-enacted

- 9.—(1) Subsection 1 of section 134 of the said Act is repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 134 (2),
re-enacted

- (2) Subsection 2 of the said section 134, as re-enacted by the Statutes of Ontario, 1972, chapter 51, section 12, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 134,
amended

- (3) The said section 134, as amended by the Statutes of Ontario, 1972, chapter 51, section 12, is further amended by adding thereto the following subsection:

Signature of
chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 10.—(1) Subsection 1 of section 154 of the said Act, as re-enacted ^{s. 154 (1),}
by the Statutes of Ontario, 1976, chapter 70, section 11,
is repealed and the following substituted therefor:


(1) Section 5, Parts XV, XVI, XVII and XXI, sections ^{Application}
242a, 248a, 249 and 254, subsection 3 of section 308, and ^{of}
sections 333 and 348, paragraphs 3, 10, 11, 12, 24 and 41 of ^{R.S.O. 1970,}
section 352, paragraph 61 of subsection 1 of section 354 and ^{c. 284}
section 394 of *The Municipal Act* apply *mutatis mutandis*
to the Regional Corporation.


- (2) The said section 154, as amended by the Statutes of ^{s. 154,}
Ontario, 1971, chapter 77, section 8 and 1976, chapter 70, ^{amended}
section 11, is further amended by adding thereto the
following subsection:

(7a) The Regional Corporation shall be deemed to be a ^{Application}
municipal corporation for the purposes of section 13 of *The* ^{of}
Mortmain and Charitable Uses Act. ^{R.S.O. 1970,}
^{c. 280, s. 13}

PART III

THE REGIONAL MUNICIPALITY OF YORK

-  11. Section 3 of *The Regional Municipality of York Act*, being ^{s. 3,}
chapter 408 of the Revised Statutes of Ontario, 1970, as ^{amended}
amended by the Statutes of Ontario, 1972, chapter 78, sec-
tion 2 and 1976, chapter 43, section 27, is further amended by
adding thereto the following subsection:

(3c) Notwithstanding section 7, the Lieutenant Governor ^{Order of}
in Council, upon the recommendation of the Minister, may, ^{L. G. in C.}
by order authorize such method of selecting the members who
represent the area municipality on the Regional Council as is
considered advisable following an order of the Municipal
Board under subsection 3a. 

12. Subsection 1 of section 25 of the said Act is repealed and the ^{s. 25 (1),}
following substituted therefor: ^{re-enacted}

(1) The Regional Council shall by by-law appoint one or ^{Appointment}
more auditors who shall be persons licensed by the Ministry ^{of auditors}
as municipal auditors and who shall hold office during good
behaviour and be removable for cause by the Regional
Council and the auditor or auditors so appointed shall audit
the accounts and transactions of the Regional Corporation
and of every local board of the Regional Corporation.

13. Subsection 5a of section 125 of the said Act, as enacted by ^{s. 125 (5a),}
the Statutes of Ontario, 1973, chapter 156, section 6, is ^{re-enacted}
repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 129 (1),
re-enacted

14.—(1) Subsection 1 of section 129 of the said Act is repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 129 (2),
re-enacted

(2) Subsection 2 of the said section 129, as re-enacted by the Statutes of Ontario, 1972, chapter 78, section 16, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 129,
amended

(3) The said section 129, as amended by the Statutes of Ontario, 1972, chapter 78, section 16, is further amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan

agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 15.—(1) Subsection 1 of section 149 of the said Act, as re-enacted by ^{s. 149 (1), re-enacted} the Statutes of Ontario, 1976, chapter 70, section 18, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections ^{Application of} 242a, 246, 248a, 249 and 254, subsection 3 of section 308, ^{R.S.O. 1970, c. 284} sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 149, as amended by the Statutes of ^{s. 149, amended} Ontario, 1971, chapter 75, section 7, 1972, chapter 78, section 19 and 1976, chapter 70, section 18, is further amended by adding thereto the following subsection:

(7a) The Regional Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of *The* ^{R.S.O. 1970, c. 280, s. 13} *Mortmain and Charitable Uses Act*.

PART IV

THE REGIONAL MUNICIPALITY OF WATERLOO

16. Section 2 of *The Regional Municipality of Waterloo Act, 1972*, ^{s. 2, amended} being chapter 105, is amended by adding thereto the following subsections:

(1a) That portion of the City of Kitchener described as ^{Portion of Kitchener annexed to Waterloo} follows is annexed to the City of Waterloo:

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the City of Kitchener, Regional Municipality of Waterloo (formerly the County of Waterloo) and Province of Ontario and being composed of:

FIRSTLY, 1' Reserve 'A', Part of 1' Reserve 'B', and Part of Silvercrest Drive, Registered Plan 877 in the said City of Kitchener designated as Parts 1, 2 and 3 on a Reference Plan deposited in the Registry Office for the Registry Division of Waterloo North (58) as Plan 58R-1986;

SECONDLY, that Part of Lot 33, German Company Tract in the said City of Kitchener, designated as Part 4 on a Reference Plan deposited in the Registry Office for the Registry Division of Waterloo North (58) as Plan 58R-1986.

Annexation
deemed by
Municipal
Board
order

(1b) Subsection 3 applies with necessary modifications to the annexation provided for in subsection 1a.

s. 3.
amended

- 17.** Section 3 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 43, section 38, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1).
re-enacted

- 18.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 133 (5a).
re-enacted

- 19.** Subsection 5a of section 133 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 137, section 7, is repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 137 (1, 2).
re-enacted

- 20.—(1)** Subsections 1 and 2 of section 137 of the said Act are repealed and the following substituted therefor:

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

Idem

(2) The said section 137 is amended by adding thereto the following subsection:

s. 137,
amended

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Signature
of chairman,
etc., may be
mechanically
reproduced

21.—(1) Subsection 1 of section 158 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 24, is repealed and the following substituted therefor:

s. 158 (1),
re-enacted

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 246, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

Application
of
R.S.O. 1970.
c. 284

(2) The said section 158, as amended by the Statutes of Ontario, 1973, chapter 137, section 9, 1974, chapter 5,

s. 158,
amended

section 2 and 1976, chapter 70, section 24, is further amended by adding thereto the following subsection:


Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.


PART V

THE REGIONAL MUNICIPALITY OF SUDBURY

s. 3.
amended

 **22.** Section 3 of *The Regional Municipality of Sudbury Act, 1972*, being chapter 104, as amended by the Statutes of Ontario, 1972, chapter 167, section 1, 1974, chapter 54, section 1, 1975, chapter 46, section 12 and 1976, chapter 43, section 50, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a. 

s. 26 (1),
re-enacted

23. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91 (5a),
re-enacted

24. Subsection 5a of section 91 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 139, section 10, is repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 25.**—(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor: s. 94 (1, 2),
re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality. Idem

- (2) The said section 94 is amended by adding thereto the following subsection: s. 94,
amended

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Signature
of chairman,
etc., may be
mechanically
reproduced

- 26.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 30, is repealed and the following substituted therefor: s. 115 (1),
re-enacted

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. Application
of
R.S.O. 1970,
c. 284

s. 115,
amended

- (2) The said section 115, as amended by the Statutes of Ontario, 1973, chapter 139, section 11, 1974, chapter 117, section 31 and 1976, chapter 70, section 30, is further amended by adding thereto the following subsection:


Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.


PART VI

THE REGIONAL MUNICIPALITY OF PEEL

s. 3.
amended

-  **27.** Section 3 of *The Regional Municipality of Peel Act, 1973*, being chapter 60, as amended by the Statutes of Ontario, 1976, chapter 43, section 61, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a. 

s. 26 (1),
re-enacted

- 28.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

- 29.** Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any

debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year. ^{Limit upon borrowings}

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year. ^{Temporary application of estimates of preceding year}

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application. ^{Protection of lender}

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent. ^{Execution of promissory notes}

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. ^{Idem}

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender. ^{Creation of charge}

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

R.S.O. 1970,
c. 118

s. 95 (1, 2),
re-enacted

30.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality

shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

- (2) The said section 95 is amended by adding thereto the following subsection: ^{s. 95, amended}

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. ^{Signature of chairman, etc., may be mechanically reproduced}

- 31.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 36, is repealed and the following substituted therefor: ^{s. 115 (1), re-enacted}

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. ^{Application of R.S.O. 1970, c. 284}

- (2) The said section 115, as amended by the Statutes of Ontario, 1974, chapter 5, section 3, 1974, chapter 117, section 37, and 1976, chapter 70, section 36, is further amended by adding thereto the following subsection: ^{s. 115, amended}

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. ^{Application of R.S.O. 1970, c. 280, s. 13}

PART VII

THE REGIONAL MUNICIPALITY OF HALTON

- 32.** Section 3 of *The Regional Municipality of Halton Act, 1973*, being chapter 70, as amended by the Statutes of Ontario, 1973, ^{s. 3, amended}

chapter 162, section 2 and 1976, chapter 43, section 73, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

33. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

34. Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
or preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

(4) The lender is not bound to establish the necessity of ^{Protection of lender} borrowing the sum lent or to see to its application.

(5) Any promissory note made under the authority of this ^{Execution of promissory notes} section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

(6) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

(7) The Regional Council may by by-law provide or ^{Creation of charge} authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be ^{Execution of agreements} sealed with the corporate seal and signed by the chairman and treasurer.

(9) If the Regional Council authorizes the borrowing of or ^{Penalty for excess borrowings} borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

(10) If the Regional Council authorizes the application of ^{Penalty for mis-application of revenues by Regional Council} any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

R.S.O. 1970.
c. 118

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

s. 95 (1, 2),
re-enacted

35.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95.
amended

(2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such

loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 36.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted ^{s. 115 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 70, section 42, is repealed and the following substituted therefor:

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, ^{Application of} subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, ^{R.S.O. 1970, c. 284} 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 115, as amended by the Statutes of ^{s. 115, amended} Ontario, 1974, chapter 5, section 4, 1974, chapter 117, section 42 and 1976, chapter 70, section 42, is further amended by adding thereto the following subsection:


(6a) The Regional Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*. ^{R.S.O. 1970, c. 280, s. 13}


- 37.** Section 138 of the said Act, as amended by the Statutes of ^{s. 138, amended} Ontario, 1973, chapter 162, section 10, is further amended by adding thereto the following subsection:

(3) The Halton County Museum Association is deemed to ^{County Museum Association deemed dissolved} have been dissolved on the 1st day of January, 1974 and all the assets and liabilities thereof vested in the Regional Corporation.

PART VIII

THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

-  **38.** Section 3 of *The Regional Municipality of Hamilton-Wentworth Act*, 1973, being chapter 74, as amended by the Statutes of ^{s. 3, amended} Ontario, 1976, chapter 43, section 84, is further amended by adding thereto the following subsection:

(3c) Notwithstanding section 8, the Lieutenant Governor ^{Order of L.G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a. 

s. 26 (1),
re-enacted

- 39.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

- 40.** Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon

such money as may be borrowed thereon from the time when such money is actually lent.

(6) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

(7) The Regional Council may by by-law provide or ^{Creation of charge} authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall ^{Execution of agreements} be sealed with the corporate seal and signed by the chairman and treasurer.

(9) If the Regional Council authorizes the borrowing of or ^{Penalty for excess borrowings} borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

(10) If the Regional Council authorizes the application ^{Penalty for mis-application of revenues by Regional Council} of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(11) If any member of the Regional Council or officer of ^{Penalty for mis-application of revenues by officials} the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(12) Subsections 9, 10 and 11 do not apply to the ^{Saving as to penalties} Regional Council or any member of the Regional Council or

R.S.O. 1970,
c. 118

officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

s. 95 (1, 2),
re-enacted

41.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95,
amended

(2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 115 (1),
re-enacted

42.—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 48, is repealed and the following substituted therefor:


(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, ^{Application of R.S.O. 1970, c. 284} subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.


(2) The said section 115, as amended by the Statutes of ^{s. 115, amended} Ontario, 1974, chapter 5, section 5, 1974, chapter 117, section 47, 1976, chapter 70, section 48 and 1976, chapter 84, section 2, is further amended by adding thereto the following subsection:

(6a) The Regional Corporation shall be deemed to be a ^{Application of R.S.O. 1970, c. 280, s. 13} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART IX

THE REGIONAL MUNICIPALITY OF DURHAM

 **43.** Section 3 of *The Regional Municipality of Durham Act, 1973*, ^{s. 3, amended} being chapter 78, as amended by the Statutes of Ontario, 1976, chapter 43, section 96, is further amended by adding thereto the following subsection:

(3b) Notwithstanding section 8, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a. 

44. Subsection 1 of section 26 of the said Act is repealed and the ^{s. 26 (1), re-enacted} following substituted therefor:

(1) The Regional Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

45. Section 99 of the said Act is repealed and the following ^{s. 99, re-enacted} substituted therefor:

Current
borrowings

99.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agree-

ment that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer. Execution of agreements

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalty for excess borrowings

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by Regional Council

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists. Saving as to penalties
R.S.O. 1970.
c. 118

46.—(1) Subsections 1 and 2 of section 103 of the said Act are repealed and the following substituted therefor: s. 103 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of Borrowing pending issue and sale of debentures

such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 103.
amended

(2) The said section 103 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 123 (1),
re-enacted

47.—(1) Subsection 1 of section 123 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 55, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235 subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250 and 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 123,
amended


(2) The said section 123, as amended by the Statutes of Ontario, 1973, chapter 147, section 10, 1974, chapter 5, section 6, 1974, chapter 117, section 52 and 1976, chapter 70, section 55, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART X

THE REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK

-  48. Section 3 of *The Regional Municipality of Haldimand-Norfolk Act, 1973*, being chapter 96, as amended by the Statutes of Ontario, 1976, chapter 43, section 107, is further amended by adding thereto the following subsection:

s. 3.
amended

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

Order of
L. G. in C.

49. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

s. 26 (1),
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

Appointment
of auditors

50. Section 95 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, is repealed and the following substituted therefor:

s. 95.
re-enacted

95.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Current
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Limit upon
borrowings

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly

vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

Saving
as to
penalties

R.S.O. 1970.
c. 118

51.—(1) Subsections 1 and 2 of section 99 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, are repealed and the following substituted therefor:

s. 99 (1, 2).
re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

Idem

(2) The said section 99 is amended by adding thereto the following subsection:

s. 99.
amended

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 119 (1),
re-enacted

52.—(1) Subsection 1 of section 119 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4 and re-enacted by 1976, chapter 70, section 61, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66, 67 and 74 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 119,
amended

(2) The said section 119, as amended by the Statutes of Ontario, 1974, chapter 117, section 57 and 1976, chapter 70, section 61, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

MISCELLANEOUS

Commence-
ment

53. This Act comes into force on the day it receives Royal Assent

Short title

54. The short title of this Act is *The Regional Municipalities Amendment Act, 1977*.

An Act to amend certain Acts respecting
Regional Municipalities

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

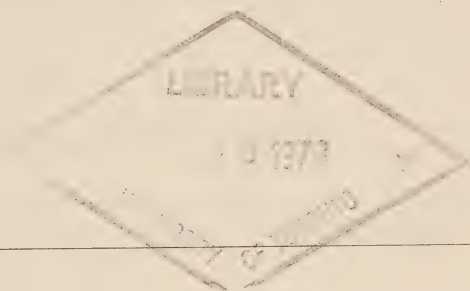
THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

*(Reprinted as amended by the
Committee of the Whole House)*

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BILL 36

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend certain Acts respecting
Regional Municipalities**



THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 36

1977

An Act to amend certain Acts respecting Regional Municipalities

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

1. *The Regional Municipality of Ottawa-Carleton Act*, being ^{s. 7b. enacted} chapter 407 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section:

7b. Notwithstanding section 4, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under section 7a.

2. Subsection 1 of section 25 of the said Act is repealed and the ^{s. 25 (1). re-enacted} following substituted therefor:

(1) The Regional Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation.

3. Subsection 5a of section 95 of the said Act, as enacted by the ^{s. 95 (5a). re-enacted} Statutes of Ontario, 1973, chapter 138, section 14, is repealed and the following substituted therefor:

(5a) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped,

lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 99 (1, 2).
re-enacted

4.—(1) Subsections 1 and 2 of section 99 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 99.
amended

(2) The said section 99 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

5. Section 100^b of the said Act, as enacted by the Statutes of Ontario, 1975, chapter 46, section 5, is renumbered as section 124^a.

6.—(1) Subsection 1 of section 124 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 6, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242^a, 248^a, 249 and 254, subsection 3 of section 308, section 333, paragraphs 3, 10, 11, 12, 24 and 41 of section 352 and section 391 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

(2) The said section 124, as amended by the Statutes of Ontario, 1973, chapter 138, section 19 and 1976, chapter 70, section 6, is further amended by adding thereto the following subsection:

(5a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART II

THE REGIONAL MUNICIPALITY OF NIAGARA

7. Subsection 1 of section 25 of *The Regional Municipality of Niagara Act*, being chapter 406 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation.

8. Section 130 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 51, section 11, is further amended by adding thereto the following subsection:

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such

promissory note is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 134 (1),
re-enacted

- 9.—(1) Subsection 1 of section 134 of the said Act is repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 134 (2),
re-enacted

- (2) Subsection 2 of the said section 134, as re-enacted by the Statutes of Ontario, 1972, chapter 51, section 12, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 134,
amended

- (3) The said section 134, as amended by the Statutes of Ontario, 1972, chapter 51, section 12, is further amended by adding thereto the following subsection:

Signature of
chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 10.—(1) Subsection 1 of section 154 of the said Act, as re-enacted <sup>s. 154 (1),
re-enacted</sup> by the Statutes of Ontario, 1976, chapter 70, section 11, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections <sup>Application
of</sup> 242a, 248a, 249 and 254, subsection 3 of section 308, and <sup>R.S.O. 1970,
c. 284</sup> sections 333 and 348, paragraphs 3, 10, 11, 12, 24 and 41 of section 352, paragraph 61 of subsection 1 of section 354 and section 394 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 154, as amended by the Statutes of <sup>s. 154,
amended</sup> Ontario, 1971, chapter 77, section 8 and 1976, chapter 70, section 11, is further amended by adding thereto the following subsection:

(7a) The Regional Corporation shall be deemed to be a <sup>Application
of</sup> municipal corporation for the purposes of section 13 of *The* <sup>R.S.O. 1970,
c. 280, s. 13</sup> *Mortmain and Charitable Uses Act*.

PART III

THE REGIONAL MUNICIPALITY OF YORK

11. Section 3 of *The Regional Municipality of York Act*, being <sup>s. 3,
amended</sup> chapter 408 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1972, chapter 78, section 2 and 1976, chapter 43, section 27, is further amended by adding thereto the following subsection:

(3c) Notwithstanding section 7, the Lieutenant Governor <sup>Order of
L. G. in C.</sup> in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

12. Subsection 1 of section 25 of the said Act is repealed and the <sup>s. 25 (1),
re-enacted</sup> following substituted therefor:

(1) The Regional Council shall by by-law appoint one or <sup>Appointment
of auditors</sup> more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation.

13. Subsection 5a of section 125 of the said Act, as enacted by <sup>s. 125 (5a),
re-enacted</sup> the Statutes of Ontario, 1973, chapter 156, section 6, is repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 129 (1),
re-enacted

14.—(1) Subsection 1 of section 129 of the said Act is repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 129 (2),
re-enacted

(2) Subsection 2 of the said section 129, as re-enacted by the Statutes of Ontario, 1972, chapter 78, section 16, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and financial officer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 129,
amended

(3) The said section 129, as amended by the Statutes of Ontario, 1972, chapter 78, section 16, is further amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan

agreement is countersigned in writing by the deputy financial officer or any other person authorized by by-law to countersign it, the signature of the financial officer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 15.**—(1) Subsection 1 of section 149 of the said Act, as re-enacted by ^{s. 149 (1), re-enacted} the Statutes of Ontario, 1976, chapter 70, section 18, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections ^{Application of R.S.O. 1970, c. 284} 242a, 246, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 149, as amended by the Statutes of ^{s. 149, amended} Ontario, 1971, chapter 75, section 7, 1972, chapter 78, section 19 and 1976, chapter 70, section 18, is further amended by adding thereto the following subsection:

(7a) The Regional Corporation shall be deemed to be a ^{Application of R.S.O. 1970, c. 280, s. 13} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART IV

THE REGIONAL MUNICIPALITY OF WATERLOO

- 16.** Section 2 of *The Regional Municipality of Waterloo Act, 1972*, ^{s. 2, amended} being chapter 105, is amended by adding thereto the following subsections:

(1a) That portion of the City of Kitchener described as ^{Portion of Kitchener annexed to Waterloo} follows is annexed to the City of Waterloo:

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the City of Kitchener, Regional Municipality of Waterloo (formerly the County of Waterloo) and Province of Ontario and being composed of:

FIRSTLY, 1' Reserve 'A', Part of 1' Reserve 'B', and Part of Silvercrest Drive, Registered Plan 877 in the said City of Kitchener designated as Parts 1, 2 and 3 on a Reference Plan deposited in the Registry Office for the Registry Division of Waterloo North (58) as Plan 58R-1986;

SECONDLY, that Part of Lot 33, German Company Tract in the said City of Kitchener, designated as Part 4 on a Reference Plan deposited in the Registry Office for the Registry Division of Waterloo North (58) as Plan 58R-1986.

Annexation
deemed by
Municipal
Board
order

(1b) Subsection 3 applies with necessary modifications to the annexation provided for in subsection 1a.

s. 3,
amended

- 17.** Section 3 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 43, section 38, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

- 18.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 133 (5a),
re-enacted

- 19.** Subsection 5a of section 133 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 137, section 7, is repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 137 (1, 2),
re-enacted

- 20.—(1)** Subsections 1 and 2 of section 137 of the said Act are repealed and the following substituted therefor:

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

(2) The said section 137 is amended by adding thereto the following subsection: ^{s. 137, amended}

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

21.—(1) Subsection 1 of section 158 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 24, is repealed and the following substituted therefor: ^{s. 158 (1), re-enacted}

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 246, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. ^{Application of R.S.O. 1970, c. 284}

(2) The said section 158, as amended by the Statutes of Ontario, 1973, chapter 137, section 9, 1974, chapter 5, ^{s. 158, amended}

section 2 and 1976, chapter 70, section 24, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART V

THE REGIONAL MUNICIPALITY OF SUDBURY

s. 3.
amended

- 22.** Section 3 of *The Regional Municipality of Sudbury Act, 1972*, being chapter 104, as amended by the Statutes of Ontario, 1972, chapter 167, section 1, 1974, chapter 54, section 1, 1975, chapter 46, section 12 and 1976, chapter 43, section 50, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

- 23.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91 (5a),
re-enacted

- 24.** Subsection 5a of section 91 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 139, section 10, is repealed and the following substituted therefor:

Idem

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 25.**—(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor: s. 94 (1, 2),
re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing
pending
issue and
sale of
debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality. Idem

- (2) The said section 94 is amended by adding thereto the following subsection: s. 94,
amended

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Signature
of chairman,
etc. may be
mechanically
reproduced

- 26.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 30, is repealed and the following substituted therefor: s. 115 (1),
re-enacted

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation. Application
of
R.S.O. 1970,
c. 284

s. 115,
amended

- (2) The said section 115, as amended by the Statutes of Ontario, 1973, chapter 139, section 11, 1974, chapter 117, section 31 and 1976, chapter 70, section 30, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART VI

THE REGIONAL MUNICIPALITY OF PEEL

s. 3,
amended

- 27.** Section 3 of *The Regional Municipality of Peel Act, 1973*, being chapter 60, as amended by the Statutes of Ontario, 1976, chapter 43, section 61, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

- 28.** Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

- 29.** Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any

debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year. Limit upon borrowings

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year. Temporary application of estimates of preceding year

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application. Protection of lender

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent. Execution of promissory notes

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced. Idem

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender. Creation of charge

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

s. 95 (1, 2),
re-enacted

30.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality

shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

- (2) The said section 95 is amended by adding thereto the ^{s. 95, amended} following subsection:

(6) The signature of the chairman or any other person ^{Signature of chairman, etc., may be mechanically reproduced} authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 31.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted ^{s. 115 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 70, section 36, is repealed and the following substituted therefor:

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, ^{Application of R.S.O. 1970, c. 284} subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308, sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 115, as amended by the Statutes of ^{s. 115, amended} Ontario, 1974, chapter 5, section 3, 1974, chapter 117, section 37, and 1976, chapter 70, section 36, is further amended by adding thereto the following subsection:

(6a) The Regional Corporation shall be deemed to be a ^{Application of R.S.O. 1970, c. 280, s. 13} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART VII

THE REGIONAL MUNICIPALITY OF HALTON

- 32.** Section 3 of *The Regional Municipality of Halton Act, 1973*, ^{s. 3, amended} being chapter 70, as amended by the Statutes of Ontario, 1973,

chapter 162, section 2 and 1976, chapter 43, section 73, is further amended by adding thereto the following subsection:

Order of
L. G. in C.

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

33. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91,
re-enacted

34. Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
or preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

(4) The lender is not bound to establish the necessity of ^{Protection of lender} borrowing the sum lent or to see to its application.

(5) Any promissory note made under the authority of this ^{Execution of promissory notes} section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

(6) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

(7) The Regional Council may by by-law provide or ^{Creation of charge} authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be ^{Execution of agreements} sealed with the corporate seal and signed by the chairman and treasurer.

(9) If the Regional Council authorizes the borrowing of or ^{Penalty for excess borrowings} borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

(10) If the Regional Council authorizes the application of ^{Penalty for mis-application of revenues by Regional Council} any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty
for mis-
application
of revenues
by officials

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Saving
as to
penalties

R.S.O. 1970,
c. 118

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

s. 95 (1, 2),
re-enacted

35.—(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality, pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95,
amended

(2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such

loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 36.**—(1) Subsection 1 of section 115 of the said Act, as re-enacted ^{s. 115 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 70, section 42, is repealed and the following substituted therefor:

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, ^{Application of R.S.O. 1970, c. 284} subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

- (2) The said section 115, as amended by the Statutes of ^{s. 115, amended} Ontario, 1974, chapter 5, section 4, 1974, chapter 117, section 42 and 1976, chapter 70, section 42, is further amended by adding thereto the following subsection:

(6a) The Regional Corporation shall be deemed to be a ^{Application of R.S.O. 1970, c. 280, s. 13} municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

- 37.** Section 138 of the said Act, as amended by the Statutes of ^{s. 138, amended} Ontario, 1973, chapter 162, section 10, is further amended by adding thereto the following subsection:

(3) The Halton County Museum Association is deemed to ^{County Museum Association deemed dissolved} have been dissolved on the 1st day of January, 1974 and all the assets and liabilities thereof vested in the Regional Corporation.

PART VIII

THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

- 38.** Section 3 of *The Regional Municipality of Hamilton-Wentworth Act*, 1973, being chapter 74, as amended by the Statutes of Ontario, 1976, chapter 43, section 84, is further amended by adding thereto the following subsection:

(3c) Notwithstanding section 8, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

s. 26 (1),
re-enacted

39. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

Appointment
of auditors

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

s. 91.
re-enacted

40. Section 91 of the said Act is repealed and the following substituted therefor:

Current
borrowings

91.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon

such money as may be borrowed thereon from the time when such money is actually lent.

(6) The signature of the chairman or any other person ^{Idem} authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

(7) The Regional Council may by by-law provide or ^{Creation of charge} authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall ^{Execution of agreements} be sealed with the corporate seal and signed by the chairman and treasurer.

(9) If the Regional Council authorizes the borrowing of or ^{Penalty for excess borrowings} borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

(10) If the Regional Council authorizes the application ^{Penalty for mis-application of revenues by Regional Council} of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(11) If any member of the Regional Council or officer of ^{Penalty for mis-application of revenues by officials} the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(12) Subsections 9, 10 and 11 do not apply to the ^{Saving as to penalties} Regional Council or any member of the Regional Council or

R.S.O. 1970,
c. 118

officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

s. 95 (1, 2),
re-enacted

- 41.—**(1) Subsections 1 and 2 of section 95 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 95,
amended

- (2) The said section 95 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 115 (1),
re-enacted

- 42.—**(1) Subsection 1 of section 115 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70; section 48, is repealed and the following substituted therefor:

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

Application
of
R.S.O. 1970,
c. 284

(2) The said section 115, as amended by the Statutes of Ontario, 1974, chapter 5, section 5, 1974, chapter 117, section 47, 1976, chapter 70, section 48 and 1976, chapter 84, section 2, is further amended by adding thereto the following subsection:

s. 115,
amended

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

Application
of
R.S.O. 1970,
c. 280, s. 13

PART IX

THE REGIONAL MUNICIPALITY OF DURHAM

43. Section 3 of *The Regional Municipality of Durham Act, 1973*, being chapter 78, as amended by the Statutes of Ontario, 1976, chapter 43, section 96, is further amended by adding thereto the following subsection:

s. 3,
amended

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

Order of
L. G. in C.

44. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

s. 26 (1),
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

Appointment
of auditors

45. Section 99 of the said Act is repealed and the following substituted therefor:

s. 99,
re-enacted

Current
borrowings

99.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agree-

ment that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer. Execution of agreements

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalty for excess borrowings

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by Regional Council

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists. Saving as to penalties R.S.O. 1970, c. 118

46.—(1) Subsections 1 and 2 of section 103 of the said Act are repealed and the following substituted therefor: s. 103 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of Borrowing pending issue and sale of debentures

such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 103,
amended

(2) The said section 103 is amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 123 (1),
re-enacted

47.—(1) Subsection 1 of section 123 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 70, section 55, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250 and 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 123,
amended

(2) The said section 123, as amended by the Statutes of Ontario, 1973, chapter 147, section 10, 1974, chapter 5, section 6, 1974, chapter 117, section 52 and 1976, chapter 70, section 55, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(6a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

PART X

THE REGIONAL MUNICIPALITY OF HALDIMAND-NORFOLK

48. Section 3 of *The Regional Municipality of Haldimand-Norfolk Act, 1973*, being chapter 96, as amended by the Statutes of Ontario, 1976, chapter 43, section 107, is further amended by adding thereto the following subsection:

s. 3,
amended

(3b) Notwithstanding section 8, the Lieutenant Governor in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the Regional Council as is considered advisable following an order of the Municipal Board under subsection 3a.

Order of
L. G. in C.

49. Subsection 1 of section 26 of the said Act is repealed and the following substituted therefor:

s. 26 (1),
re-enacted

(1) The Regional Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Regional Council and the auditor or auditors so appointed shall audit the accounts and transactions of the Regional Corporation and of every local board of the Regional Corporation, except school boards.

Appointment
of auditors

50. Section 95 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, is repealed and the following substituted therefor:

s. 95,
re-enacted

95.—(1) The Regional Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Regional Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Regional Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Regional Corporation and the sums required by law to be provided by the Regional Council for any local board of the Regional Corporation.

Current
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with any similar borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the year.

Limit upon
borrowings

Temporary
application
of estimates
of preceding
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the Regional Corporation as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the Regional Corporation and signed by the chairman or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The Regional Council may by by-law provide or authorize the chairman and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the Regional Corporation for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the chairman and treasurer.

Penalty
for excess
borrowings

(9) If the Regional Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

Penalty
for mis-
application
of revenues
by Regional
Council

(10) If the Regional Council authorizes the application of any revenues of the Regional Corporation charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly

vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

(11) If any member of the Regional Council or officer of the Regional Corporation knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the Regional Council or any member of the Regional Council or officer of the Regional Corporation acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the Regional Corporation is made with the consent of the lender in whose favour a charge exists.

Saving as to penalties

R.S.O. 1970. c. 118

51.—(1) Subsections 1 and 2 of section 99 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4, are repealed and the following substituted therefor:

s. 99 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for its purposes, the Regional Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Borrowing pending issue and sale of debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Regional Corporation for the purposes of an area municipality, the Regional Council or the council of the area municipality pending the issue and sale of the debentures may, and the Regional Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the Regional Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

Idem

(2) The said section 99 is amended by adding thereto the following subsection:

s. 99, amended

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 119 (1),
re-enacted

52.—(1) Subsection 1 of section 119 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 155, section 4 and re-enacted by 1976, chapter 70, section 61, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, subsection 3 of section 308 and sections 333 and 348 and paragraphs 3, 9, 10, 11, 12, 24, 41, 63, 64, 65, 66, 67 and 74 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the Regional Corporation.

s. 119,
amended

(2) The said section 119, as amended by the Statutes of Ontario, 1974, chapter 117, section 57 and 1976, chapter 70, section 61, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(7a) The Regional Corporation shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

MISCELLANEOUS

Commence-
ment

53. This Act comes into force on the day it receives Royal Assent.

Short title

54. The short title of this Act is *The Regional Municipalities Amendment Act, 1977*.

An Act to amend certain Acts respecting
Regional Municipalities

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

October 18th, 1977

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**Government
Publications**

**An Act to amend
The District Municipality of Muskoka Act**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

TORONTO

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EXPLANATORY NOTES

SECTION 1. The effect of the re-enactment is to remove the requirement of a two-thirds vote of the District Council to remove the auditor for cause: a simple majority will now suffice. The subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The District Council shall by by-law appoint one or more auditors who shall be persons licensed by the Department as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the District Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the District Corporation and of every local board of the District Corporation.*

SECTION 2. The effect of the re-enactment of subsection 5a of section 106 is to permit the mechanical reproduction of the signature of the treasurer on promissory notes if the note is countersigned by some other person authorized by by-law to countersign it; the subsection in the form in which it is proposed to be re-enacted, showing underlined the words to be added, is set out below:

- (5a) *The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer, or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.*

SECTION 3.—Subsections 1 and 2. The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required “to meet expenditures incurred”; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. The two subsections to be re-enacted, showing underlined the restriction to be removed, are set out below:

- (1) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for its purposes, the District Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*
- (2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for the purposes of an area municipality, the District Council or the council of the area municipality pending the issue and sale of the debentures may, and the District Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and the District Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.*

An Act to amend The District Municipality of Muskoka Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 24 of *The District Municipality of Muskoka Act*, being chapter 131 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

(1) The District Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the District Council and the auditor or auditors so appointed shall audit the accounts and transactions of the District Corporation and of every local board of the District Corporation.

Appointment
of auditors

2. Subsection 5a of section 106 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 146, section 4, is repealed and the following substituted therefor:

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Idem

- 3.—(1) Subsection 1 of section 110 of the said Act is repealed and the following substituted therefor:

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for its purposes, the District Council pending the

Borrowing
pending
issue and
sale of
debentures

issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 110 (2),
re-enacted

- (2) Subsection 2 of the said section 110, as re-enacted by the Statutes of Ontario, 1972, chapter 52, section 9, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for the purposes of an area municipality, the District Council or the council of the area municipality pending the issue and sale of the debentures may, and the District Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the District Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 110,
amended

- (3) The said section 110, as amended by the Statutes of Ontario, 1972, chapter 52, section 9, is further amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 130 (1),
re-enacted

- 4.—(1) Subsection 1 of section 130 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 71, section 6, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, section 333 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the District Corporation, and, for the purposes of section 394 of *The Municipal Act*, the District Corporation shall be deemed to be a local municipality.

Subsection 3. The subsection to be added will permit the signature of the chairman and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

SECTION 4. The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the District Corporation to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the added subsection 5*a* is to enable the District Corporation to accept gifts or bequests of money for this and other purposes.

- (2) The said section 130, as amended by the Statutes of ^{s. 130, amended} Ontario, 1971, chapter 76, section 2 and 1976, chapter 71, section 6, is further amended by adding thereto the following subsection:

(5a) The District Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of *The R.S.O. 1970, c. 280, s. 13* *Mortmain and Charitable Uses Act*.

5. This Act comes into force on the day it receives Royal Assent. ^{Commence-}
ment
6. The short title of this Act is *The District Municipality of Muskoka* ^{Short title}
Amendment Act, 1977.

An Act to amend
The District Municipality of
Muskoka Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

BILL 37

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend
The District Municipality of Muskoka Act**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

An Act to amend The District Municipality of Muskoka Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 24 of *The District Municipality of Muskoka Act*, being chapter 131 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

(1) The District Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the District Council and the auditor or auditors so appointed shall audit the accounts and transactions of the District Corporation and of every local board of the District Corporation.

Appointment
of auditors

2. Subsection 5a of section 106 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 146, section 4, is repealed and the following substituted therefor:

(5a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Idem

- 3.—(1) Subsection 1 of section 110 of the said Act is repealed and the following substituted therefor:

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for its purposes, the District Council pending the

Borrowing
pending
issue and
sale of
debentures

issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

s. 110 (2),
re-enacted

- (2) Subsection 2 of the said section 110, as re-enacted by the Statutes of Ontario, 1972, chapter 52, section 9, is repealed and the following substituted therefor:

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the District Corporation for the purposes of an area municipality, the District Council or the council of the area municipality pending the issue and sale of the debentures may, and the District Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the District Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 110,
amended

- (3) The said section 110, as amended by the Statutes of Ontario, 1972, chapter 52, section 9, is further amended by adding thereto the following subsection:

Signature
of chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 130 (1),
re-enacted

- 4.—(1) Subsection 1 of section 130 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 71, section 6, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Section 5, Parts XV, XVI, XVII and XXI, sections 242a, 248a, 249 and 254, subsection 3 of section 308, section 333 and paragraphs 3, 10, 11, 12, 24 and 41 of section 352 of *The Municipal Act* apply *mutatis mutandis* to the District Corporation, and, for the purposes of section 394 of *The Municipal Act*, the District Corporation shall be deemed to be a local municipality.

- (2) The said section 130, as amended by the Statutes of ^{s. 130, amended} Ontario, 1971, chapter 76, section 2 and 1976, chapter 71, section 6, is further amended by adding thereto the following subsection:

(5a) The District Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of *The R.S.O. 1970, c. 280, s. 13* *Mortmain and Charitable Uses Act*.

5. This Act comes into force on the day it receives Royal Assent. <sup>Commence-
ment</sup>
6. The short title of this Act is *The District Municipality of Muskoka Amendment Act, 1977*. ^{Short title}

An Act to amend
The District Municipality of
Muskoka Act

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

October 18th, 1977

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**Government
Publications**

**An Act to amend
The County of Oxford Act, 1974**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

EXPLANATORY NOTES

SECTION 1. The effect of the re-enactment is to remove the requirement of a two-thirds vote of the County Council to remove the auditor for cause; a simple majority will now suffice. The subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The County Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the County Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the County and of every local board of the County, except school boards.*

SECTION 2. Section 90 of the Act now reads as follows:

90.—(1) *Section 332 of The Municipal Act applies mutatis mutandis to the County.*

- (2) *In 1975, for the purposes of subsection 4 of section 332 of The Municipal Act, the amount that may be borrowed at any one time prior to the adoption of the estimates for that year shall be such amount as may be approved by the Minister.*

The effect of the re-enactment is to replace the cross-reference to *The Municipal Act* provisions regarding temporary borrowing for current purposes, with this newly-written section. It is substantially the same as *The Municipal Act* provisions, but removes the requirement that the County treasurer provide to the lender a copy of the borrowing by-law, a statement showing the amount of the year's uncollected revenues and also the amount of any unpaid temporary borrowings. In addition, the re-enactment allows the mechanical signature of promissory notes by the warden, and where authorized by by-law, mechanical signature by the County treasurer.

An Act to amend The County of Oxford Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 26 of *The County of Oxford Act, 1974*, <sup>s. 26 (1),
re-enacted</sup> being chapter 57, is repealed and the following substituted therefor:

(1) The County Council shall by by-law appoint one or <sup>Appointment
of auditors</sup> more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the County Council and the auditor or auditors so appointed shall audit the accounts and transactions of the County and of every local board of the County, except school boards.

2. Section 90 of the said Act is repealed and the following sub- <sup>s. 90,
re-enacted</sup> stituted therefor:

90.—(1) The County Council may by by-law, either before <sup>Current
borrowings</sup> or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the warden and treasurer to borrow from time to time by way of promissory note such sums as the County Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the County for the year, including the amounts required for principal and interest falling due within the year upon any debt of the County and the sums required by law to be provided by the County Council for any local board of the County.

(2) The amount that may be borrowed at any one time <sup>Limit upon
borrowings</sup> for the purposes mentioned in subsection 1, together with borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues

of the County as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of previous
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the County as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the County and signed by the warden or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the warden or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The County Council may by by-law provide or authorize the warden and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the County for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject to any prior charge then subsisting in favour of any other lender.

Execution of
agreements

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the warden and treasurer.

Penalties
for excess
borrowings

(9) If the County Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years.

SECTION 3.—Subsection 1. The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required “to meet expenditures incurred”; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. The two subsections to be re-enacted, showing underlined the restriction to be removed, are set out below:

- (1) *Where the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for its purposes, the County Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*
- (2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for the purposes of an area municipality, the County Council or the council of the area municipality pending the issue and sale of the debentures may, and the County Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and the County Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.*

Subsection 2. The subsection to be added will permit the signature of the warden and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

(10) If the County Council authorizes the application of any revenues of the County charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty for mis-application of revenues by County Council

(11) If any member of the County Council or officer of the County knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction.

Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the County Council or any member of the County Council or officer of the County acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the County is made with the consent of the lender in whose favour a charge exists.

Saving as to penalties R.S.O. 1970, c. 118

3.—(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor:

s. 94 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for its purposes, the County Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Borrowing pending issue and sale of debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for the purposes of an area municipality, the County Council or the council of the area municipality pending the issue and sale of the debentures may, and the County Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the County Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

Idem

s. 94,
amended

- (2) The said section 94 is amended by adding thereto the following subsection:

Signature
of warden,
etc., may be
mechanically
reproduced

(6) The signature of the warden or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 114 (1),
re-enacted

- 4.—(1) Subsection 1 of section 114 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 73, section 11, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, 308 and 333 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the County.

s. 114,
amended

- (2) The said section 114, as amended by the Statutes of Ontario, 1974, chapter 118, section 3 and 1976, chapter 73, section 11, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(3a) The County shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. The short title of this Act is *The County of Oxford Amendment Act, 1977*.

SECTION 4. The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the County to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the added subsection 3a is to enable the County to accept gifts or bequests of money for this and other purposes.

An Act to amend
The County of Oxford Act, 1974

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

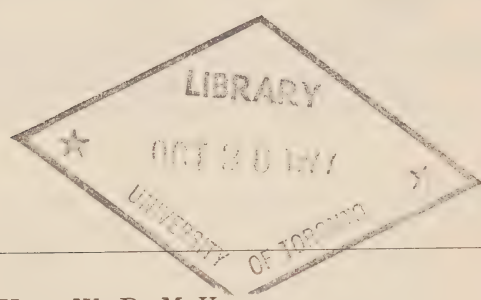
THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

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1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend
The County of Oxford Act, 1974**



THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. The effect of the amendment is to permit the Lieutenant Governor in Council to alter the method of the selection of members of County Council where necessary following a Municipal Board order dealing with wards or the composition of the council of an area municipality.

SECTION 2. The effect of the re-enactment is to remove the requirement of a two-thirds vote of the County Council to remove the auditor for cause; a simple majority will now suffice. The subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The County Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the County Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the County and of every local board of the County, except school boards.*

SECTION 3. Section 90 of the Act now reads as follows:

- 90.—(1) *Section 332 of The Municipal Act applies mutatis mutandis to the County.*

BILL 38

1977

An Act to amend The County of Oxford Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 3 of *The County of Oxford Act, 1974*, being chapter 57, ^{s. 3, amended} as amended by the Statutes of Ontario, 1976, chapter 73, section 1, is further amended by adding thereto the following subsection:

(4b) Notwithstanding section 8, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the County Council as is considered advisable following an order of the Municipal Board under subsection 4a.

2. Subsection 1 of section 26 of the said Act is repealed and the ^{s. 26 (1), re-enacted} following substituted therefor:

(1) The County Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the County Council and the auditor or auditors so appointed shall audit the accounts and transactions of the County and of every local board of the County, except school boards.

3. Section 90 of the said Act is repealed and the following sub- ^{s. 90, re-enacted} stituted therefor:

90.—(1) The County Council may by by-law, either before ^{Current borrowings} or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the warden and treasurer to borrow from time to time by way of promissory note such sums as the County Council considers necessary to meet, until the levies and other revenues

are received, the current expenditures of the County for the year, including the amounts required for principal and interest falling due within the year upon any debt of the County and the sums required by law to be provided by the County Council for any local board of the County.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the County as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of previous
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the County as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the County and signed by the warden or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the warden or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The County Council may by by-law provide or authorize the warden and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the County for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject

- (2) *In 1975, for the purposes of subsection 4 of section 332 of The Municipal Act, the amount that may be borrowed at any one time prior to the adoption of the estimates for that year shall be such amount as may be approved by the Minister.*

The effect of the re-enactment is to replace the cross-reference to *The Municipal Act* provisions regarding temporary borrowing for current purposes, with this newly-written section. It is substantially the same as *The Municipal Act* provisions, but removes the requirement that the County treasurer provide to the lender a copy of the borrowing by-law, a statement showing the amount of the year's uncollected revenues and also the amount of any unpaid temporary borrowings. In addition, the re-enactment allows the mechanical signature of promissory notes by the warden, and where authorized by by-law, mechanical signature by the County treasurer.

SECTION 4.—Subsection 1. The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required “to meet expenditures incurred”; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. The two subsections to be re-enacted, showing underlined the restriction to be removed, are set out below:

- (1) *Where the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for its purposes, the County Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*
- (2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for the purposes of an area municipality, the County Council or the council of the area municipality pending the issue and sale of the debentures may, and the County Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and the County Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.*

Subsection 2. The subsection to be added will permit the signature of the warden and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the warden and treasurer. Execution of agreements

(9) If the County Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalties for excess borrowings

(10) If the County Council authorizes the application of any revenues of the County charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by County Council

(11) If any member of the County Council or officer of the County knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the County Council or any member of the County Council or officer of the County acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the County is made with the consent of the lender in whose favour a charge exists. Saving as to penalties R.S.O. 1970, c. 118

4.—(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor: s. 94 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for its purposes, the County Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing pending issue and sale of debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County Idem

for the purposes of an area municipality, the County Council or the council of the area municipality pending the issue and sale of the debentures may, and the County Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the County Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 94,
amended

- (2) The said section 94 is amended by adding thereto the following subsection:

Signature
of warden,
etc., may be
mechanically
reproduced

(6) The signature of the warden or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 114 (1),
re-enacted

- 5.—(1) Subsection 1 of section 114 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 73, section 11, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, 308 and 333 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the County.

s. 114,
amended

- (2) The said section 114, as amended by the Statutes of Ontario, 1974, chapter 118, section 3 and 1976, chapter 73, section 11, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(3a) The County shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

Commence-
ment

6. This Act comes into force on the day it receives Royal Assent.

Short title

7. The short title of this Act is *The County of Oxford Amendment Act, 1977*.

SECTION 5. The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the County to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the added subsection 3*a* is to enable the County to accept gifts or bequests of money for this and other purposes.

An Act to amend
The County of Oxford Act, 1974

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

*(Reprinted as amended by the Committee
of the Whole House)*

BILL 38

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend
The County of Oxford Act, 1974**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 38

1977

An Act to amend The County of Oxford Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 3 of *The County of Oxford Act, 1974*, being chapter 57, ^{s. 3, amended} as amended by the Statutes of Ontario, 1976, chapter 73, section 1, is further amended by adding thereto the following subsection:

(4b) Notwithstanding section 8, the Lieutenant Governor ^{Order of L. G. in C.} in Council, upon the recommendation of the Minister, may, by order authorize such method of selecting the members who represent the area municipality on the County Council as is considered advisable following an order of the Municipal Board under subsection 4a.

2. Subsection 1 of section 26 of the said Act is repealed and the ^{s. 26 (1), re-enacted} following substituted therefor:

(1) The County Council shall by by-law appoint one or ^{Appointment of auditors} more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the County Council and the auditor or auditors so appointed shall audit the accounts and transactions of the County and of every local board of the County, except school boards.

3. Section 90 of the said Act is repealed and the following sub- ^{s. 90, re-enacted} stituted therefor:

90.—(1) The County Council may by by-law, either before ^{Current borrowings} or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the warden and treasurer to borrow from time to time by way of promissory note such sums as the County Council considers necessary to meet, until the levies and other revenues

are received, the current expenditures of the County for the year, including the amounts required for principal and interest falling due within the year upon any debt of the County and the sums required by law to be provided by the County Council for any local board of the County.

Limit upon
borrowings

(2) The amount that may be borrowed at any one time for the purposes mentioned in subsection 1, together with borrowings that have not been repaid, shall not, except with the approval of the Municipal Board, exceed 70 per cent of the uncollected balance of the estimated revenues of the County as set forth in the estimates adopted for the year.

Temporary
application
of estimates
of previous
year

(3) Until such estimates are adopted, the limitation upon borrowing prescribed by subsection 2 shall temporarily be calculated upon the estimated revenues of the County as set forth in the estimates adopted for the next preceding year.

Protection
of lender

(4) The lender is not bound to establish the necessity of borrowing the sum lent or to see to its application.

Execution of
promissory
notes

(5) Any promissory note made under the authority of this section shall be sealed with the seal of the County and signed by the warden or by some other person authorized by by-law to sign it, and by the treasurer, and may be expressed so as to bear interest only upon such money as may be borrowed thereon from the time when such money is actually lent.

Idem

(6) The signature of the warden or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

Creation
of charge

(7) The County Council may by by-law provide or authorize the warden and treasurer to provide by agreement that all or any sums borrowed for any or all of the purposes mentioned in this section shall, with interest thereon, be a charge upon the whole or any part or parts of the revenues of the County for the current year and for any preceding years as and when such revenues are received, provided that such charge does not defeat or affect and is subject

to any prior charge then subsisting in favour of any other lender.

(8) Any agreement entered into under subsection 7 shall be sealed with the corporate seal and signed by the warden and treasurer. Execution of agreements

(9) If the County Council authorizes the borrowing of or borrows any larger amount than is permitted under this section, every member who knowingly votes therefor is disqualified from holding any municipal office for two years. Penalties for excess borrowings

(10) If the County Council authorizes the application of any revenues of the County charged under the authority of this section otherwise than in repayment of the loan secured by such charge, the members who knowingly vote for such application are personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by County Council

(11) If any member of the County Council or officer of the County knowingly applies any revenues so charged otherwise than in repayment of the loan secured by such charge, he is personally liable for the amount so applied, which may be recovered in any court of competent jurisdiction. Penalty for mis-application of revenues by officials

(12) Subsections 9, 10 and 11 do not apply to the County Council or any member of the County Council or officer of the County acting under an order or direction issued or made under the authority of *The Municipal Affairs Act*, nor do they apply in any case where application of the revenues of the County is made with the consent of the lender in whose favour a charge exists. Saving as to penalties R.S.O. 1970, c. 118

4.—(1) Subsections 1 and 2 of section 94 of the said Act are repealed and the following substituted therefor: s. 94 (1, 2), re-enacted

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County for its purposes, the County Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purposes authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan. Borrowing pending issue and sale of debentures

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the County Idem

for the purposes of an area municipality, the County Council or the council of the area municipality pending the issue and sale of the debentures may, and the County Council on the request of the area municipality shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and the County Council may, or on the request of the area municipality shall, pending the sale of such debentures or in lieu of selling them, authorize the warden and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality.

s. 94,
amended

- (2) The said section 94 is amended by adding thereto the following subsection:

Signature
of warden,
etc., may be
mechanically
reproduced

(6) The signature of the warden or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 114 (1),
re-enacted

- 5.—(1) Subsection 1 of section 114 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 73, section 11, is repealed and the following substituted therefor:

Application
of
R.S.O. 1970,
c. 284

(1) Sections 5, 217, 223, 224, 229, 231, 232, 233 and 235, subsections 1, 4 and 5 of section 237, sections 238, 239, 242a, 245, 248a, 249, 250, 254, 308 and 333 and paragraphs 3, 9, 10, 11, 12, 24, 41, 44, 63, 64, 65, 66 and 67 of section 352 and Parts XV, XVI, XVII and XXI of *The Municipal Act* apply *mutatis mutandis* to the County.

s. 114,
amended

- (2) The said section 114, as amended by the Statutes of Ontario, 1974, chapter 118, section 3 and 1976, chapter 73, section 11, is further amended by adding thereto the following subsection:

Application
of
R.S.O. 1970,
c. 280, s. 13

(3a) The County shall be deemed to be a municipal corporation for the purposes of section 13 of *The Mortmain and Charitable Uses Act*.

Commence-
ment

6. This Act comes into force on the day it receives Royal Assent.

Short title

7. The short title of this Act is *The County of Oxford Amendment Act, 1977*.

An Act to amend
The County of Oxford Act, 1974

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

October 18th, 1977

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

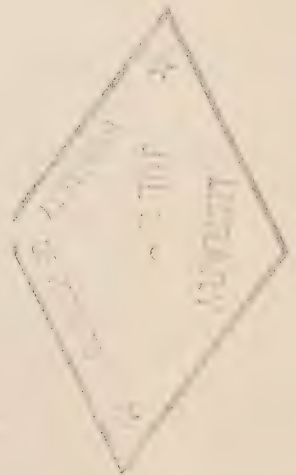
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1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**Government
Publications**

**An Act to amend
The Municipality of Metropolitan Toronto Act**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTES

SECTION 1. The effect of the re-enactment is to remove the requirement of a two-thirds vote of the Metropolitan Council to remove the auditor for cause: a simple majority will now suffice. The subsection to be re-enacted, showing underlined the requirement to be dropped, is set out below:

- (1) *The Metropolitan Council shall by by-law appoint one or more auditors who shall be persons licensed by the Department as municipal auditors and who shall hold office during good behaviour and be removable for cause upon the vote of two-thirds of the members of the Metropolitan Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the Metropolitan Corporation and of every local board of the Metropolitan Corporation, except The Metropolitan Toronto School Board.*

SECTION 2.—Subsection 1. The effect of the re-enactment of subsection 1 of section 217 is to permit temporary borrowing for current purposes until the "levies and other revenues are received"; the subsection now permits such borrowing until the levies are received. The subsection in the form in which it is proposed to be re-enacted, showing underlined the words to be added, is set out below:

- (1) *The Metropolitan Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Metropolitan Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Metropolitan Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Metropolitan Corporation, and the sums required by law to be provided by the Metropolitan Council for school purposes and for any local board of the Metropolitan Corporation.*

BILL 39

1977

An Act to amend The Municipality of Metropolitan Toronto Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 22 of *The Municipality of Metropolitan Toronto Act*, being chapter 295 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1972, chapter 54, section 1, is repealed and the following substituted therefor: s. 22 (1),
re-enacted

(1) The Metropolitan Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Metropolitan Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the Metropolitan Corporation and of every local board of the Metropolitan Corporation, except The Metropolitan Toronto School Board. Appointment
of auditors

- 2.—(1) Subsection 1 of section 217 of the said Act is repealed and the following substituted therefor: s. 217 (1),
re-enacted

(1) The Metropolitan Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Metropolitan Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Metropolitan Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Metropolitan Corporation and the sums required by law to be provided by the Metropolitan Council for school purposes and for any local board of the Metropolitan Corporation. Current
borrowings

s. 217 (6a),
re-enacted

- (2) Subsection 6a of the said section 217, as enacted by the Statutes of Ontario, 1973, chapter 171, section 6, is repealed and the following substituted therefor:

Idem

(6a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 222 (1, 2),
re-enacted

- 3.—**(1) Subsections 1 and 2 of section 222 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for its purposes, the Metropolitan Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for the purposes of an area municipality or a board of education, the Metropolitan Council pending the issue and sale of the debentures may, and on the request of the area municipality or board of education shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and may, or on the request of the area municipality or board of education shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality or board of education.

s. 222,
amended

- (2) The said section 222 is amended by adding thereto the following subsection:

Signature of
chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy

Subsection 2. The effect of the re-enactment of subsection 6a of section 217 is to permit the mechanical reproduction of the signature of the treasurer on promissory notes if the note is countersigned by some other person authorized by by-law to countersign it; the subsection in the form in which it is proposed to be re-enacted, showing underlined the words to be added, is set out below:

- (6a) *The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.*

SECTION 3.—Subsection 1. The effect of the re-enactment of the two subsections is to remove the restriction that temporary borrowings pending the sale of debentures be limited to those required “to meet expenditures incurred”; such borrowings will now be permitted where they are for any purpose authorized by the Municipal Board in approving the debentures. The two subsections to be re-enacted, showing underlined the restriction to be removed are set out below:

- (1) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for its purposes, the Metropolitan Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.*
- (2) *When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for the purposes of an area municipality or a board of education, the Metropolitan Council pending the issue and sale of the debentures may, and on the request of the area municipality or board of education shall, agree with a bank or person for temporary advances from time to time to meet expenditures incurred for the purposes authorized, and may, or on the request of the area municipality or board of education shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality or board of education.*

Subsection 2. The subsection to be added will permit the signature of the chairman and, under the conditions indicated, of the treasurer, to be mechanically reproduced on loan agreements under which temporary borrowings are obtained.

SECTION 4. The effect of the re-enactment of subsection 1 is to add a reference to paragraph 41 of section 352 of *The Municipal Act*; this will permit the Metropolitan Corporation to pay rewards to persons who supply information leading to the apprehension or conviction of persons guilty of any offence.

The effect of the added subsection 9 is to enable the Metropolitan Corporation to accept gifts or bequests of money for this and other purposes.

SECTION 5. The effect of the re-enactment is to remove the requirement of a three-fourths vote of the Metropolitan Council to authorize payments for entertaining guests and travelling on civic business; a simple majority vote will now suffice. Section 242a as it now reads, showing underlined the words to be deleted, is set out below:

242a. *The Metropolitan Council may, by a vote of three-fourths of the members of the Council present and voting, expend in any year such sum as it may determine for the purposes set out in section 394 of The Municipal Act.*

treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 4.—(1) Subsection 1 of section 241 of the said Act, as re-enacted ^{s. 241 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 72, section 7, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections ^{Application of} 242a, 248a and 249, subsection 3 of section 308, and paragraphs 3, 10, 11, 12, 24, 29, 41 and 42 of section 352 of ^{R.S.O. 1970, c. 284} *The Municipal Act* apply *mutatis mutandis* to the Metropolitan Corporation.

- (2) The said section 241, as amended by the Statutes of ^{s. 241, amended} Ontario, 1976, chapter 72, section 7, is further amended by adding thereto the following subsection:

(9) The Metropolitan Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of ^{R.S.O. 1970, c. 280, s. 13} *The Mortmain and Charitable Uses Act*.

5. Section 242a of the said Act, as enacted by the Statutes of ^{s. 242a, re-enacted} Ontario, 1971, chapter 7, section 3, is repealed and the following substituted therefor:

242a. The Metropolitan Council may expend in any year such sum as it may determine for the purposes set out in ^{Expenses for entertaining guests and for travelling on civic business} section 394 of *The Municipal Act*.

6. This Act comes into force on the day it receives Royal Assent. ^{Commence-ment}

7. The short title of this Act is *The Municipality of Metropolitan Toronto Amendment Act, 1977*. ^{Short title}

An Act to amend
The Municipality of Metropolitan
Toronto Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

BILL 39

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**An Act to amend
The Municipality of Metropolitan Toronto Act**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 39

1977

An Act to amend The Municipality of Metropolitan Toronto Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 22 of *The Municipality of Metropolitan Toronto Act*, being chapter 295 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1972, chapter 54, section 1, is repealed and the following substituted therefor: s. 22 (1),
re-enacted

(1) The Metropolitan Council shall by by-law appoint one or more auditors who shall be persons licensed by the Ministry as municipal auditors and who shall hold office during good behaviour and be removable for cause by the Metropolitan Council, and the auditor or auditors so appointed shall audit the accounts and transactions of the Metropolitan Corporation and of every local board of the Metropolitan Corporation, except The Metropolitan Toronto School Board. Appointment
of auditors

- 2.—(1) Subsection 1 of section 217 of the said Act is repealed and the following substituted therefor: s. 217 (1),
re-enacted

(1) The Metropolitan Council may by by-law, either before or after the passing of by-laws for imposing levies on the area municipalities for the current year, authorize the chairman and treasurer to borrow from time to time by way of promissory note such sums as the Metropolitan Council considers necessary to meet, until the levies and other revenues are received, the current expenditures of the Metropolitan Corporation for the year, including the amounts required for principal and interest falling due within the year upon any debt of the Metropolitan Corporation and the sums required by law to be provided by the Metropolitan Council for school purposes and for any local board of the Metropolitan Corporation. Current
borrowings

s. 217 (6a),
re-enacted

- (2) Subsection 6a of the said section 217, as enacted by the Statutes of Ontario, 1973, chapter 171, section 6, is repealed and the following substituted therefor:

Idem

(6a) The signature of the chairman or any other person authorized to sign promissory notes may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on promissory notes made under this section and, if such promissory note is countersigned in writing by the deputy treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

s. 222 (1, 2),
re-enacted

- 3.—(1) Subsections 1 and 2 of section 222 of the said Act are repealed and the following substituted therefor:

Borrowing
pending
issue and
sale of
debentures

(1) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for its purposes, the Metropolitan Council pending the issue and sale of the debentures may agree with a bank or person for temporary advances from time to time for the purpose authorized, and may by by-law pending the sale of such debentures or in lieu of selling them authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan.

Idem

(2) When the Municipal Board has authorized the borrowing of money and the issue of debentures by the Metropolitan Corporation for the purposes of an area municipality or a board of education, the Metropolitan Council pending the issue and sale of the debentures may, and on the request of the area municipality or board of education shall, agree with a bank or person for temporary advances from time to time for the purposes authorized, and may, or on the request of the area municipality or board of education shall, pending the sale of such debentures or in lieu of selling them, authorize the chairman and treasurer to raise money by way of loan on the debentures and to hypothecate them for the loan, and shall transfer the proceeds of such advance or loan to the area municipality or board of education.

s. 222,
amended

- (2) The said section 222 is amended by adding thereto the following subsection:

Signature of
chairman,
etc., may be
mechanically
reproduced

(6) The signature of the chairman or any other person authorized to sign loan agreements may be written, stamped, lithographed, engraved or otherwise mechanically reproduced on loan agreements made under this section and, if such loan agreement is countersigned in writing by the deputy

treasurer or any other person authorized by by-law to countersign it, the signature of the treasurer thereon may be written, stamped, lithographed, engraved or otherwise mechanically reproduced.

- 4.—(1) Subsection 1 of section 241 of the said Act, as re-enacted ^{s. 241 (1), re-enacted} by the Statutes of Ontario, 1976, chapter 72, section 7, is repealed and the following substituted therefor:

(1) Section 5, Parts XV, XVI, XVII and XXI, sections ^{Application of} 242a, 248a and 249, subsection 3 of section 308, and paragraphs 3, 10, 11, 12, 24, 29, 41 and 42 of section 352 of ^{R.S.O. 1970, c. 284} *The Municipal Act* apply *mutatis mutandis* to the Metropolitan Corporation.

- (2) The said section 241, as amended by the Statutes of ^{s. 241, amended} Ontario, 1976, chapter 72, section 7, is further amended by adding thereto the following subsection:

(9) The Metropolitan Corporation shall be deemed to be a ^{Application of} municipal corporation for the purposes of section 13 of ^{R.S.O. 1970, c. 280, s. 13} *The Mortmain and Charitable Uses Act*.

5. Section 242a of the said Act, as enacted by the Statutes of ^{s. 242a, re-enacted} Ontario, 1971, chapter 7, section 3, is repealed and the following substituted therefor:

242a. The Metropolitan Council may expend in any year ^{Expenses for entertaining guests and for travelling on civic business} such sum as it may determine for the purposes set out in section 394 of *The Municipal Act*.

6. This Act comes into force on the day it receives Royal Assent. ^{Commencement}
7. The short title of this Act is *The Municipality of Metropolitan Toronto Amendment Act, 1977*. ^{Short title}

An Act to amend
The Municipality of Metropolitan
Toronto Act

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

October 18th, 1977

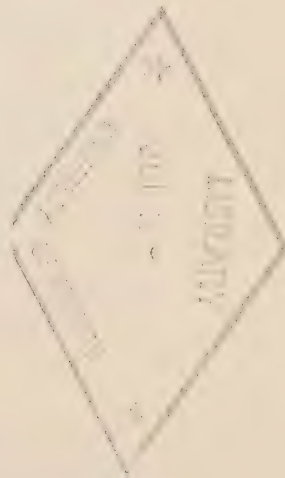
THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

An Act to amend The Municipal Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



EXPLANATORY NOTES

SECTION 1. Section 38 of the Act sets out the circumstances under which the seat of a member of council becomes vacant and it now reads as follows:

38. *The seat of a member of council becomes vacant if,*

- (a) *he becomes disqualified from holding the office of a member of council under section 36;*
- (b) *he has neglected or refused to accept office or to make the prescribed declarations within the prescribed time;*
- (c) *he absents himself from the meetings of the council for three successive months without being authorized so to do by a resolution of the council entered upon its minutes;*
- (d) *he files his resignation with the clerk of the municipality as provided in subsection 6 of section 90 of The Municipal Elections Act, 1972, for the purpose of becoming a candidate for some other office;*
- (e) *he resigns from his office and his resignation is effective under section 40;*
- (f) *he is appointed to fill a vacancy in the office of mayor, reeve, deputy reeve or controller;*
- (g) *his office is declared vacant in any judicial proceedings; or*
- (h) *he forfeits his office under this or any other Act.*

The added clause *i* is designed to make it clear that death creates a vacancy if it occurs prior to accepting office and taking the prescribed declarations.

SECTION 2. Section 198 of the Act now reads as follows:

198. *No member of a council shall vote on any by-law appointing him to any office in the gift of the council or fixing or providing his remuneration for any service to the corporation, but this does not apply to allowances for attendance at meetings of the council or its committees or to annual allowances to members of council.*

The restructuring of this section is consequential on the proposed amendment to section 388 of the Act, as to which see the note to section 6 of the Bill.

SECTION 3. Section 245 of the Act now reads as follows:

245. *Notwithstanding any other provision in this Act or any general or special Act,*

- (a) *the fiscal year of every municipality and local board, as defined in The Municipal Affairs Act, is the calendar year from the 1st day of January to the 31st day of December; and*
- (b) *the accounts referred to in section 231 are those of the next preceding fiscal year.*

The added subsections 2, 3 and 4 govern municipal hospitals and fix their fiscal year as that prescribed under *The Public Hospitals Act*, being the 1st day of April to the 31st day of March. Dates are also set out for the submission of estimates, annual reports and statements.

An Act to amend The Municipal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 38 of *The Municipal Act*, being chapter 284 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1972, chapter 121, section 11, is amended by striking out "or" at the end of clause *g*, by adding "or" at the end of clause *h* and by adding thereto the following clause:

s. 38.
amended

(i) he dies, whether prior or subsequent to accepting office and making the prescribed declarations.

2. Section 198 of the said Act is repealed and the following substituted therefor:

s. 198.
re-enacted

198. No member of a council shall vote on any by-law appointing him to any office in the gift of the council or fixing or providing his remuneration for any service to the corporation, but this does not apply to annual allowances to members of council or to allowances for attendance at meetings to be fixed by by-law pursuant to clauses *a* and *b* of subsection 1 of section 388.

Prohibition
as to member
voting to
appoint
himself to
office, etc.

3. Section 245 of the said Act is repealed and the following substituted therefor:

s. 245.
re-enacted

245.—(1) Subject to subsection 2 but notwithstanding any other provision in this Act or any general or special Act, the fiscal year of every municipality and local board, as defined in *The Municipal Affairs Act*, is the calendar year from the 1st day of January to the 31st day of December and the accounts referred to in section 231 are those of the next preceding fiscal year.

Fiscal year

(2) The fiscal year of every public hospital owned by the corporation of a municipality shall be the fiscal year of a public hospital as prescribed under *The Public Hospitals Act*.

Fiscal
year for
municipal
public
hospitals
R.S.O. 1970.
c. 118

R.S.O. 1970.
c. 378

Annual
statement
or report

R.S.O. 1970,
c. 378

(3) Notwithstanding the provisions of this or any general or special Act where an estimate of expenditures, revenue or capital or an annual statement or report, including a report of an auditor, in respect of a public hospital mentioned in subsection 2 is required to be prepared by the provisions of any special Act, such estimate, statement or report shall be prepared in respect of the fiscal year as prescribed under *The Public Hospitals Act* and not in respect of the calendar year and the date upon or prior to which such an estimate shall be prepared and certified for the consideration of a board of control or a council of a municipality shall be the 1st day of March in each year, or such other date as the council may by by-law provide, and the date upon or prior to which such annual report or statement shall be prepared and submitted to a board of control or a council of a municipality shall be the 15th day of May or such other date as the council may by by-law provide.

Application
of s. 307 (1)

(4) Notwithstanding the provisions of this or any general or special Act, where the council of a municipality has considered the estimates of a public hospital referred to in subsection 3 and has determined the sum to be levied by it for the purposes of such hospital for the fiscal year of the hospital, that sum shall be deemed to be the sum required by law to be provided by the council for the hospital for purposes of subsection 1 of section 307.

s. 293 (3) (e),
repealed

4.—(1) Clause *e* of subsection 3 of section 293 of the said Act is repealed.

s. 293 (3),
amended

(2) Subsection 3 of the said section 293, as amended by the Statutes of Ontario, 1972, chapter 124, section 5, 1973, chapter 83, section 3 and 1976, chapter 69, section 4, is further amended by adding thereto the following clauses:

R.S.O. 1970,
c. 213

(*n*) pursuant to section 16 of *The Housing Development Act* respecting the acquisition of land for housing purposes; or

(*o*) by the council of a local municipality for providing money for the paving or repaving of highways and the construction, reconstruction or reflooring of bridges, under the jurisdiction of the council of the municipality or under the joint jurisdiction of the council of the municipality and the council of another municipality.

s. 354 (1),
amended

5. Subsection 1 of section 354 of the said Act is amended by adding thereto the following paragraph:

SECTION 4.—Subsection 1. The clause that is proposed to be repealed specifies a by-law that does not require the assent of the electors and now reads as follows:

- (e) *by the council of a city with the approval of the Municipal Board for providing such sum as may be required to pay its share of the cost of constructing or reconstructing a bridge over any stream that constitutes a dividing line between the city and any other municipality or of reconstructing any existing bridge within the municipality; but the aggregate amount to be provided for all of such purposes in any one year shall not be more than \$10,000 where the city has a population of not more than 20,000; or \$15,000 where the city has a population of more than 20,000 and not more than 100,000; or \$20,000 where the city has a population of more than 100,000; or*

In expanded form the provision will now appear as clause *o* of subsection 3 of section 293; see the note to subsection 2 of this section.

Subsection 2. The clauses added specify additional by-laws that may be passed by municipalities without the assent of the electors.

SECTION 5. Section 354 of the Act sets out many classes of by-laws that may be passed by the councils of local municipalities; the added paragraph 26a empowers such municipalities to pass by-laws for the purposes specified.

SECTION 6. Section 388 of the Act now reads as follows:

- 388.—(1) *The council of a municipality may pass by-laws for paying the members of council for attendance at meetings of council or of its committees such per diem rate as the council may determine.*
- (2) *Where a member of a council is paid remuneration under section 205, 211 or 389, such member is not entitled to payment under this section for attendance at meetings.*
- (3) *In the case of a council of a county or a township, the by-law may provide for the payment of such amount as is determined by council for each mile necessarily travelled in attending such meetings.*
- (4) *The head of the council of a municipality may be paid for his services as a member of any public utility commission the same per diem rate as is determined by the council under subsection 1.*

The effect of the re-enactment of subsection 1 is to permit the council of a municipality to provide for the payment to its members of a *per diem* rate for attendance at meetings related to municipal business, but the payment for attendance at which is not otherwise authorized under *The Municipal Act* or any other general or special Act. The re-enactment of the other subsections is consequential.

26a. For adopting and participating in an emergency fire service plan and program established by the fire co-ordinator of a regional, district or metropolitan municipality, or by a county or district fire co-ordinator, upon such terms and conditions as the council considers appropriate, provided that notwithstanding the provisions of any such plan and program, no liability accrues to a municipality for failing to supply the use of fire fighting equipment in accordance with the plan and program.

Emergency
fire service
plan

6. Section 388 of the said Act is repealed and the following substituted therefor:

s. 388.
re-enacted

388.—(1) The council of a municipality may pass by-laws,

Remunera-
tion of
councillors

(a) for paying the members of council for attendance at meetings of council or of its committees such *per diem* rate as the council may determine;

(b) for paying the members of council such *per diem* rate as council may determine for attendance, when such attendance is authorized by resolution of council, at meetings, whether held within or outside the boundaries of the municipality, other than meetings of any other body in respect of which the members of council are paid remuneration pursuant to this or any general or special Act.

1. A by-law passed pursuant to this clause may define a class or classes of meetings in respect of which a *per diem* rate may be paid and may authorize payment of a *per diem* rate only in respect of such class or classes of meetings.

2. For the purpose of this clause "attendance at meetings" includes attendance at any place for the purpose of pursuing any matter in the interests of the municipality.

(2) Where a member of a council is paid remuneration under section 205, 211 or 389, such member is not entitled to payment under this section for attendance at meetings referred to in clauses *a* and *b* of subsection 1.

Where
member
receives
salary

(3) In the case of a council of a county or a township, a by-law passed pursuant to clause *a* or *b* of subsection 1 may provide for the payment of such amount as is determined by council for each mile necessarily travelled in attending such meetings.

Mileage
allowance

Fees to
head of
council on
public
utility
commission

(4) The head of the council of a municipality may be paid for his services as a member of any public utility commission the same *per diem* rate as is determined by the council under clause *a* of subsection 1.

s. 455,
re-enacted

7. Section 455 of the said Act is repealed and the following substituted therefor:

Purchasing
or renting
machinery

455.—(1) Subject to subsection 2, the council of every municipality may pass by-laws for purchasing conditionally, or otherwise, or for renting for a term of years or otherwise, machinery and appliances for the purposes of the corporation, and for borrowing money for the purpose of paying the purchase price for any period not exceeding five years and for issuing debentures for the money so borrowed, or for issuing to the vendor debentures payable within that period in payment of the purchase money.

Purchase of
road-making
machinery

(2) Where a by-law is passed by the council of a municipality under subsection 1 for the purchase of road-making machinery or appliances, the by-law may provide for the borrowing of money for the purpose of paying the purchase price for any period not exceeding ten years and for issuing debentures for the money so borrowed or for issuing to the vendor debentures payable within that period in payment of the purchase money.

s. 527 (10),
re-enacted

8. Subsection 10 of section 527 of the said Act is repealed and the following substituted therefor:

Disposition
of part
payment of
taxes

(10) Where the treasurer or the collector of taxes receives part payment on account of taxes due for any year, he shall credit such part payment first on account of the interest and percentage charges, if any, added to such taxes, and, where such taxes are required to be paid by instalments under a by-law passed under subsection 1, the remainder of such payment shall be credited first against the instalment first due and secondly against the instalment next due, and so on, until the whole of the remainder of the payment has been credited against such taxes.

s. 542,
re-enacted

9. Section 542 of the said Act is repealed and the following substituted therefor:

Receiving
payment on
account of
arrears

542. The county treasurer and the treasurer of any municipality whose officers have power to sell lands for arrears of taxes may from time to time receive part payment of taxes returned to him as in arrears upon any land for any year and shall credit such payment first on account of the interest and percentage charges, if any, added to such taxes

SECTION 7. Section 455 now reads as follows:

455. The council of every municipality may pass by-laws for purchasing conditionally, or otherwise, or for renting for a term of years or otherwise, machinery and appliances for the purposes of the corporation, and for borrowing money for the purpose of paying the purchase price for any period not exceeding five years and for issuing debentures for the money so borrowed, or for issuing to the vendor debentures payable within that period in payment of the purchase money.

The effect of the re-enactment is to extend from five years to ten years the period over which moneys borrowed for the purchase of road-making machinery may be repaid.

SECTION 8. Subsection 10 of section 527 of the Act now reads as follows:

(10) Where the treasurer or the collector of taxes receives part payment on account of taxes due for any year, he shall credit such part payment first on account of the interest and percentage charges, if any, added to such taxes.

The effect of the re-enactment is to provide that where part payment of taxes due for any year are received, after crediting the payment first on account of interest and penalty charges if any, the remainder is to be credited firstly against those instalments longest overdue.

SECTION 9. Section 542 of the Act now reads as follows:

542. The county treasurer and the treasurer of any municipality whose officers have power to sell lands for arrears of taxes may from time to time receive part payment of taxes returned to him as in arrears upon any land for any year and shall credit such payment first on account of the interest and percentage charges, if any, added to such taxes; but no such payment shall be received after a warrant has issued for the sale of the land for taxes.

The re-enactment is to the same effect as that in section 8 of the Bill and relates to partial payment of taxes in arrears; that is provision is made for applying the partial payment firstly against the arrears of taxes longest outstanding.

An Act to amend
The Municipal Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

BILL 40

Government Bill

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend The Municipal Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

(Reprinted as amended by the Committee of the Whole House)

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTES

SECTION 1. Section 38 of the Act sets out the circumstances under which the seat of a member of council becomes vacant and it now reads as follows:

38. *The seat of a member of council becomes vacant if,*

- (a) *he becomes disqualified from holding the office of a member of council under section 36;*
- (b) *he has neglected or refused to accept office or to make the prescribed declarations within the prescribed time;*
- (c) *he absents himself from the meetings of the council for three successive months without being authorized so to do by a resolution of the council entered upon its minutes;*
- (d) *he files his resignation with the clerk of the municipality as provided in subsection 6 of section 90 of The Municipal Elections Act, 1972, for the purpose of becoming a candidate for some other office;*
- (e) *he resigns from his office and his resignation is effective under section 40;*
- (f) *he is appointed to fill a vacancy in the office of mayor, reeve, deputy reeve or controller;*
- (g) *his office is declared vacant in any judicial proceedings; or*
- (h) *he forfeits his office under this or any other Act.*

The added clause *i* is designed to make it clear that death creates a vacancy if it occurs prior to accepting office and taking the prescribed declarations.

SECTION 3. Section 198 of the Act now reads as follows:

198. *No member of a council shall vote on any by-law appointing him to any office in the gift of the council or fixing or providing his remuneration for any service to the corporation, but this does not apply to allowances for attendance at meetings of the council or its committees or to annual allowances to members of council.*

The restructuring of this section is consequential on the proposed amendment to section 388 of the Act, as to which see the note to section 7 of the Bill.

BILL 40

1977

An Act to amend The Municipal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 38 of *The Municipal Act*, being chapter 284 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1972, chapter 121, section 11, is amended by striking out "or" at the end of clause *g*, by adding "or" at the end of clause *h* and by adding thereto the following clause:

(i) he dies, whether prior or subsequent to accepting office and making the prescribed declarations.

2. The said Act is amended by adding thereto the following section:

47.—(1) In the event that the council of any municipality or a local board thereof is unable, for a period of two months, to hold a meeting of the council or of the local board because of failure to obtain a quorum, the Minister may by order declare the seats of the members of the council or local board to be vacant and a new election shall be held in accordance with the provisions of *The Municipal Elections Act*, 1977.

(2) In the event that the seats of a majority of the members of a council or of a local board are for any reason declared vacant, the Minister may by order provide for the fulfilling of the duties and obligations of the council or local board until such time as a new election is held in accordance with *The Municipal Elections Act*, 1977, and the members so elected have taken office.

3. Section 198 of the said Act is repealed and the following substituted therefor:

198. No member of a council shall vote on any by-law appointing him to any office in the gift of the council or

s. 38,
amended

s. 47,
enacted

Minister
may declare
seats vacant

1977, c. ...

Interim
adminis-
tration

s. 198,
re-enacted

Prohibition
as to member
voting to
appoint
himself to
office, etc.

fixing or providing his remuneration for any service to the corporation, but this does not apply to annual allowances to members of council or to allowances for attendance at meetings to be fixed by by-law pursuant to clauses *a* and *b* of subsection 1 of section 388.

s. 245,
re-enacted

4. Section 245 of the said Act is repealed and the following substituted therefor:

Fiscal year

245.—(1) Subject to subsection 2 but notwithstanding any other provision in this Act or any general or special Act, the fiscal year of every municipality and local board, as defined in *The Municipal Affairs Act*, is the calendar year from the 1st day of January to the 31st day of December and the accounts referred to in section 231 are those of the next preceding fiscal year.

R.S.O. 1970,
c. 118

Fiscal
year for
municipal
public
hospitals
R.S.O. 1970,
c. 378

(2) The fiscal year of every public hospital owned by the corporation of a municipality shall be the fiscal year of a public hospital as prescribed under *The Public Hospitals Act*.

Annual
statement
or report

(3) Notwithstanding the provisions of this or any general or special Act where an estimate of expenditures, revenue or capital or an annual statement or report, including a report of an auditor, in respect of a public hospital mentioned in subsection 2 is required to be prepared by the provisions of any special Act, such estimate, statement or report shall be prepared in respect of the fiscal year as prescribed under *The Public Hospitals Act* and not in respect of the calendar year and the date upon or prior to which such an estimate shall be prepared and certified for the consideration of a board of control or a council of a municipality shall be the 1st day of March in each year, or such other date as the council may by by-law provide, and the date upon or prior to which such annual report or statement shall be prepared and submitted to a board of control or a council of a municipality shall be the 15th day of May or such other date as the council may by by-law provide.

R.S.O. 1970,
c. 378

Application
of s. 307 (1)

(4) Notwithstanding the provisions of this or any general or special Act, where the council of a municipality has considered the estimates of a public hospital referred to in subsection 3 and has determined the sum to be levied by it for the purposes of such hospital for the fiscal year of the hospital, that sum shall be deemed to be the sum required by law to be provided by the council for the hospital for purposes of subsection 1 of section 307.

s. 293 (3) (*e*),
repealed

5.—(1) Clause *e* of subsection 3 of section 293 of the said Act is repealed.

SECTION 4. Section 245 of the Act now reads as follows:

245. *Notwithstanding any other provision in this Act or any general or special Act,*

- (a) *the fiscal year of every municipality and local board, as defined in The Municipal Affairs Act, is the calendar year from the 1st day of January to the 31st day of December; and*
- (b) *the accounts referred to in section 231 are those of the next preceding fiscal year.*

The added subsections 2, 3 and 4 govern municipal hospitals and fix their fiscal year as that prescribed under *The Public Hospitals Act*, being the 1st day of April to the 31st day of March. Dates are also set out for the submission of estimates, annual reports and statements.

SECTION 5.—Subsection 1. The clause that is proposed to be repealed specifies a by-law that does not require the assent of the electors and now reads as follows:

- (e) *by the council of a city with the approval of the Municipal Board for providing such sum as may be required to pay its share of the cost of constructing or reconstructing a bridge over any stream that constitutes a dividing line between the city and any other municipality or of reconstructing any existing bridge within the municipality; but the aggregate amount to be provided for all of such purposes in any one year shall not be more than \$10,000 where the city has a population of not more than 20,000; or \$15,000 where the city has a population of more than 20,000 and not more than 100,000; or \$20,000 where the city has a population of more than 100,000; or*

In expanded form the provision will now appear as clause o of subsection 3 of section 293; see the note to subsection 2 of this section.

Subsection 2. The clauses added specify additional by-laws that may be passed by municipalities without the assent of the electors.

SECTION 6. Section 354 of the Act sets out many classes of by-laws that may be passed by the councils of local municipalities; the added paragraph 26a empowers such municipalities to pass by-laws for the purposes specified.

SECTION 7. Section 388 of the Act now reads as follows:

- 388.—(1) *The council of a municipality may pass by-laws for paying the members of council for attendance at meetings of council or of its committees such per diem rate as the council may determine.*
- (2) *Where a member of a council is paid remuneration under section 205, 211 or 389, such member is not entitled to payment under this section for attendance at meetings.*
- (3) *In the case of a council of a county or a township, the by-law may provide for the payment of such amount as is determined by council for each mile necessarily travelled in attending such meetings.*
- (4) *The head of the council of a municipality may be paid for his services as a member of any public utility commission the same per diem rate as is determined by the council under subsection 1.*

The effect of the re-enactment of subsection 1 is to permit the council of a municipality to provide for the payment to its members of a *per diem* rate for attendance at meetings related to municipal business, but the payment for attendance at which is not otherwise authorized under *The Municipal Act* or any other general or special Act. The re-enactment of the other subsections is consequential.

- (2) Subsection 3 of the said section 293, as amended by the <sup>s. 293 (3),
amended</sup> Statutes of Ontario, 1972, chapter 124, section 5, 1973, chapter 83, section 3 and 1976, chapter 69, section 4, is further amended by adding thereto the following clauses:

- (n) pursuant to section 16 of *The Housing Development Act* respecting the acquisition of land for housing purposes; or <sup>R.S.O. 1970.
c. 213</sup>
- (o) by the council of a local municipality for providing money for the paving or repaving of highways and the construction, reconstruction or reflooring of bridges, under the jurisdiction of the council of the municipality or under the joint jurisdiction of the council of the municipality and the council of another municipality.

6. Subsection 1 of section 354 of the said Act is amended by <sup>s. 354 (1),
amended</sup> adding thereto the following paragraph:

26a. For adopting and participating in an emergency fire <sup>Emergency
fire service
plan</sup> service plan and program established by the fire co-ordinator of a regional, district or metropolitan municipality, or by a county or district fire co-ordinator, upon such terms and conditions as the council considers appropriate, provided that notwithstanding the provisions of any such plan and program, no liability accrues to a municipality for failing to supply the use of fire fighting equipment in accordance with the plan and program.

7. Section 388 of the said Act is repealed and the following <sup>s. 388.
re-enacted</sup> substituted therefor:

388.—(1) The council of a municipality may pass by-laws, <sup>Remunera-
tion of
councillors</sup>

- (a) for paying the members of council for attendance at meetings of council or of its committees such *per diem* rate as the council may determine;

- (b) for paying the members of council such *per diem* rate as council may determine for attendance, when such attendance is authorized by resolution of council, at meetings or at any place, whether held or located within or outside the boundaries of the municipality, other than meetings of any body in respect of which the members of council are paid remuneration pursuant to clause a or pursuant to any other provision of this Act or any other general or special Act.

1. A by-law passed pursuant to this clause may define a class or classes of meetings or attendances at a place in respect of which a *per diem* rate may be paid and may authorize payment of a *per diem* rate only in respect of such class or classes of meetings or attendances.
2. For the purpose of this clause, "attendance at meetings" includes attendance by a member of council at any place to meet with one or more other persons for the purpose of pursuing any matter in the interests of the municipality and "attendance at any place" means attendance by a member of council at a place for the purpose of pursuing any matter in the interests of the municipality whether or not any other person is present at such place.

Where
member
receives
salary

(2) Where a member of a council is paid remuneration under section 205, 211 or 389, such member is not entitled to payment under this section for attendance at meetings or at a place, referred to in clause *a* or *b* of subsection 1.

Mileage
allowance

(3) In the case of a council of a county or a township, a by-law passed pursuant to clause *a* or *b* of subsection 1 may provide for the payment of such amount as is determined by council for each mile necessarily travelled in attending such meetings or at such place.

Fees to
head of
council on
public
utility
commission

(4) The head of the council of a municipality may be paid for his services as a member of any public utility commission the same *per diem* rate as is determined by the council under clause *a* of subsection 1.

s. 455,
re-enacted

8. Section 455 of the said Act is repealed and the following substituted therefor:

Purchasing
or renting
machinery

455.—(1) Subject to subsection 2, the council of every municipality may pass by-laws for purchasing conditionally, or otherwise, or for renting for a term of years or otherwise, machinery and appliances for the purposes of the corporation, and for borrowing money for the purpose of paying the purchase price for any period not exceeding five years and for issuing debentures for the money so borrowed, or for issuing to the vendor debentures payable within that period in payment of the purchase money.

Purchase of
road-making
machinery

(2) Where a by-law is passed by the council of a municipality under subsection 1 for the purchase of road-making

SECTION 8. Section 455 now reads as follows:

455. The council of every municipality may pass by-laws for purchasing conditionally, or otherwise, or for renting for a term of years or otherwise, machinery and appliances for the purposes of the corporation, and for borrowing money for the purpose of paying the purchase price for any period not exceeding five years and for issuing debentures for the money so borrowed, or for issuing to the vendor debentures payable within that period in payment of the purchase money.

The effect of the re-enactment is to extend from five years to ten years the period over which moneys borrowed for the purchase of road-making machinery may be repaid.

SECTION 9. Subsection 10 of section 527 of the Act now reads as follows:

- (10) *Where the treasurer or the collector of taxes receives part payment on account of taxes due for any year, he shall credit such part payment first on account of the interest and percentage charges, if any, added to such taxes.*

The effect of the re-enactment is to provide that where part payment of taxes due for any year are received, after crediting the payment first on account of interest and penalty charges if any, the remainder is to be credited firstly against those instalments longest overdue.

SECTION 10. Section 542 of the Act now reads as follows:

542. *The county treasurer and the treasurer of any municipality whose officers have power to sell lands for arrears of taxes may from time to time receive part payment of taxes returned to him as in arrears upon any land for any year and shall credit such payment first on account of the interest and percentage charges, if any, added to such taxes; but no such payment shall be received after a warrant has issued for the sale of the land for taxes.*

The re-enactment is to the same effect as that in section 9 of the Bill and relates to partial payment of taxes in arrears; that is provision is made for applying the partial payment firstly against the arrears of taxes longest outstanding.

machinery or appliances, the by-law may provide for the borrowing of money for the purpose of paying the purchase price for any period not exceeding ten years and for issuing debentures for the money so borrowed or for issuing to the vendor debentures payable within that period in payment of the purchase money.

9. Subsection 10 of section 527 of the said Act is repealed and the following substituted therefor: s. 527 (10), re-enacted

(10) Where the treasurer or the collector of taxes receives part payment on account of taxes due for any year, he shall credit such part payment first on account of the interest and percentage charges, if any, added to such taxes, and, where such taxes are required to be paid by instalments under a by-law passed under subsection 1, the remainder of such payment shall be credited first against the instalment first due and secondly against the instalment next due, and so on, until the whole of the remainder of the payment has been credited against such taxes. Disposition of part payment of taxes

10. Section 542 of the said Act is repealed and the following substituted therefor: s. 542, re-enacted

542. The county treasurer and the treasurer of any municipality whose officers have power to sell lands for arrears of taxes may from time to time receive part payment of taxes returned to him as in arrears upon any land for any year and shall credit such payment first on account of the interest and percentage charges, if any, added to such taxes and shall credit the remainder of such payment against that part of the taxes that has been in arrears for the greatest period of time; but no such payment shall be received after a warrant has issued for the sale of the land for taxes. Receiving payment on account of arrears

- 11.—(1) This Act, except section 4, comes into force on the day it receives Royal Assent. Commencement

(2) Section 4 shall be deemed to have come into force on the 1st day of January, 1977. Idem

12. The short title of this Act is *The Municipal Amendment Act*, 1977. Short title

An Act to amend
The Municipal Act

1st Reading

July 5th, 1977

2nd Reading

November 1st, 1977

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

*(Reprinted as amended by the
Committee of the Whole House)*

2A24N
X13
-B56

Ontario, Legislative Assembly

BILL 41

Government Bill

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**Government
Publications**

An Act to amend The Public Utilities Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTES

SECTION 1. The subsection to be re-enacted now reads as follows:

- (3) *In default of payment the corporation may shut off the supply but the rents or rates in default are, nevertheless, recoverable.*

The effect of the re-enactment is to provide that a municipal public utility must give forty-eight hours notice before shutting off the supply for default in payment. In addition, if the person to whom the utility is being supplied is not the owner of the premises, then notice must similarly be given to the owner.

SECTION 2. Section 59 of the Act now reads as follows:

59. *If any person supplied with any public utility neglects to pay the rent, rate or charge due to the company at any of the times fixed for the payment thereof, the company, or any person acting under its authority, on giving forty-eight hours previous notice, may stop the supply from entering the premises of the person by cutting off the service pipes or by such other means as the company or its officers consider proper, and the company may recover the rent or charge due up to that time, together with the expenses of cutting off the supply, notwithstanding any contract to furnish it for a longer time.*

The subsection to be added is to the same effect as the amendment proposed by section 1 of the Bill and is applicable to company public utilities.

BILL 41

1977

An Act to amend The Public Utilities Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 3 of section 27 of *The Public Utilities Act*, being chapter 390 of the Revised Statutes of Ontario, 1970, is ^{s. 27 (3), re-enacted} repealed and the following substituted therefor:

(3) In default of payment, the corporation may, on giving ^{Power to shut off supply} forty-eight hours notice to the person to whom the public utility is being supplied, shut off the supply, but the rents or rates in default are, nevertheless, recoverable.

(3a) Where the person to whom the public utility is being ^{Notice to owner of premises} supplied is not the owner of the premises and notice is given under subsection 3, the notice shall also be given to the owner of the premises at the same time and in the same manner as to the person to whom the public utility is being supplied.

2. Section 59 of the said Act is amended by adding thereto the ^{s. 59, amended} following subsection:

(2) Where the person to whom any public utility is being ^{Notice to owner of premises} supplied is not the owner of the premises and notice is given under this section, then notice shall also be given to the owner of the premises at the same time and in the same manner as to the person to whom the public utility is being supplied.

3. This Act comes into force on the day it receives Royal Assent. ^{Commence-ment}
4. The short title of this Act is *The Public Utilities Amendment Act, 1977*. ^{Short title}

An Act to amend
The Public Utilities Act

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

Government
Publications

**An Act to amend
The City of Timmins-Porcupine Act, 1972**

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



EXPLANATORY NOTES

SECTION 1. Section 21 of the Act now reads as follows:

21. All the assets and liabilities of the Town of Timmins and the townships of Tisdale, Mountjoy and Whitney become assets and liabilities of the City on the 1st day of January, 1973, without compensation.

The added subsection 2 is intended to make it clear that the City when it was newly incorporated on the 1st day of January, 1973, had vested in it the right to collect arrears of education taxes then outstanding in respect of lands that formed unorganized territory prior to their annexation to the City. The new subsection 3 requires the City to pay the amount of all such tax arrears to the appropriate boards of education that had levied the tax. The new subsection 4 confirms that the City has and has always had the right to proceed under the tax arrears certificate provisions of *The Municipal Affairs Act* in the recovery of taxes owing.

SECTION 2. This is a saving provision to protect the rights of any persons who have commenced any action or proceeding, prior to the day this Act comes into force, in respect of the tax arrears certificate registration procedures.

BILL 42

1977

An Act to amend The City of Timmins-Porcupine Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 21 of *The City of Timmins-Porcupine Act, 1972*, being ^{s. 21. amended} chapter 117, is amended by adding thereto the following sub-sections:

(2) All interests of The Timmins Board of Education and The Timmins District Roman Catholic Separate School Board in respect of education tax arrears and accumulated interest thereon uncollected as of the 1st day of January, 1973, shall be deemed to have become assets of the City, without compensation, on the 1st day of January, 1973. ^{Interest in tax arrears vested in City}

(3) The City shall pay, to the extent that such moneys have not already been paid, the full amount of such arrears and accumulated interest to The Timmins Board of Education and The Timmins District Roman Catholic Separate School Board. ^{Payment of arrears}

(4) In addition to any other remedy possessed by the City for the recovery of taxes collectable by it, the City has and shall be deemed to always have had the right to recover the taxes and accumulated interest owing to it, including those education tax arrears and accumulated interest mentioned in subsection 1, under the procedures provided for in Part III of *The Municipal Affairs Act*. ^{Right of City to recover arrears of taxes}

R.S.O. 1970.
c. 118

2. Subsection 4 of section 21 of *The City of Timmins-Porcupine Act, 1972*, as enacted by section 1 of this Act, does not affect or prejudice any right of any person in any action, litigation or other proceeding commenced on or before the day this Act comes into force, and any such action, litigation or other proceeding may be continued and finally adjudicated upon to the same extent as if this Act had not been passed. ^{Saving}

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. The short title of this Act is *The City of Timmins-Porcupine Amendment Act, 1977*.

An Act to amend
The City of Timmins-Porcupine Act, 1972

1st Reading

July 5th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(Government Bill)

BILL 42

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to amend
The City of Timmins-Porcupine Act, 1972

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 42

1977

An Act to amend The City of Timmins-Porcupine Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 21 of *The City of Timmins-Porcupine Act, 1972*, being chapter 117, is amended by adding thereto the following subsections:

(2) All interests of The Timmins Board of Education and The Timmins District Roman Catholic Separate School Board in respect of education tax arrears and accumulated interest thereon uncollected as of the 1st day of January, 1973, shall be deemed to have become assets of the City, without compensation, on the 1st day of January, 1973.

Interest in
tax arrears
vested in
City

(3) The City shall pay, to the extent that such moneys have not already been paid, the full amount of such arrears and accumulated interest to The Timmins Board of Education and The Timmins District Roman Catholic Separate School Board.

Payment of
arrears

(4) In addition to any other remedy possessed by the City for the recovery of taxes collectable by it, the City has and shall be deemed to always have had the right to recover the taxes and accumulated interest owing to it, including those education tax arrears and accumulated interest mentioned in subsection 1, under the procedures provided for in Part III of *The Municipal Affairs Act*.

Right of
City to
recover
arrears of
taxes

R.S.O. 1970.
c. 118

2. Subsection 4 of section 21 of *The City of Timmins-Porcupine Act, 1972*, as enacted by section 1 of this Act, does not affect or prejudice any right of any person in any action, litigation or other proceeding commenced on or before the day this Act comes into force, and any such action, litigation or other proceeding may be continued and finally adjudicated upon to the same extent as if this Act had not been passed.

Saving

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. The short title of this Act is *The City of Timmins-Porcupine Amendment Act, 1977*.

An Act to amend
The City of Timmins-Porcupine Act, 1972

1st Reading

July 5th, 1977

2nd Reading

October 18th, 1977

3rd Reading

October 18th, 1977

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

**Government
Publications**

An Act to revise The Audit Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

EXPLANATORY NOTE

The purpose of the Bill is to define the role and the responsibility of the Provincial Auditor. The Bill provides for the Auditor's status, scope of practice, reports and relationships to others.

The main provisions of the Bill are :

1. The Office of the Provincial Auditor is recognized, consisting of the Auditor, the Assistant Auditor and other staff.
2. The Auditor and Assistant Auditor are officers of the Assembly.
3. The Auditor is required to audit the accounts of the Consolidated Revenue Fund and to direct the performance of the audits of agencies of the Crown that are audited by auditors other than the Auditor. Such other auditors are required to report to the Auditor.
4. The auditors of Crown controlled corporations are required to deliver to the Auditor copies of their reports, their recommendations to management and copies of the audited financial statements of the agencies or corporations, as well as to provide full documentation and explanations to the Auditor in respect of their audits.
5. The Auditor is required to make an annual report to the Speaker of the Assembly who is to lay the report before the Assembly forthwith if it is in session or, if not, not later than the tenth day of the next session. The Auditor is also empowered to make special reports to the Speaker on matters that, in the opinion of the Auditor, should not be deferred until the annual report and these must also be laid before the Assembly forthwith by the Speaker.
6. In his annual report, the Auditor is required to report on the work of the Office of the Auditor, the examination of accounts of receipts and disbursements of public money, the statements of Assets and Liabilities, the Consolidated Revenue Fund and Revenue and Expenditure as reported in the Public Accounts, special warrants and Management Board orders authorizing payments in excess of appropriations, and such matters as, in the opinion of the Auditor, should be brought to the attention of the Assembly.
7. The Auditor is empowered to perform inspection audits in respect of payments of grants and may require a full accounting from the recipient of a grant. Obstruction of the Auditor or any member of the Office of the Auditor in the performance of an inspection audit is made an offence punishable on summary conviction.
8. When requested by the committee, the Auditor is required to attend at meetings of the standing Public Accounts Committee of the Assembly in order to assist the committee, and the Auditor is required to examine into and report on any matter referred to him by a resolution of the committee.

9. The Auditor is required to undertake special assignments required by the Assembly, by the standing Public Accounts Committee of the Assembly or by a minister of the Crown, but such assignments are not to take precedence over the Auditor's other work and the Auditor may decline an assignment from a minister if, in the opinion of the Auditor, the assignment might conflict with the other duties of the Auditor.
10. The Auditor is empowered to advise appropriate persons employed in the public service as to any matter that comes or that may come to the attention of the Auditor in the course of the exercise of his powers or the performance of his duties as Auditor.
11. Subject to the approval of the Board of Internal Economy, the Auditor is empowered to employ professional staff and other persons for the efficient operation of the Office of the Auditor, to determine the salary of the Assistant Auditor and the salaries and remuneration and terms and conditions of employment of the employees of the Office of the Auditor.
12. The employees of the Office of the Auditor are required to take oaths of office, secrecy and allegiance.
13. The Auditor, the Assistant Auditor and the full-time permanent and probationary employees of the Office of the Auditor are entitled to the same employee benefits under *The Public Service Act* as civil servants who are not within bargaining units and *The Public Service Superannuation Act* is made applicable to them.
14. Employees of the Office of the Auditor are prohibited from being candidates in federal, provincial or municipal elections, soliciting funds for any party or candidate, associating their position in the Office of the Auditor with any political activity.
15. Provision is made for an examination and report to the Board of Internal Economy and the Assembly as to the disbursements of the Office of the Auditor.
16. The estimates for the Office of the Auditor are to be prepared by the Auditor, reviewed by the Board of Internal Economy, laid before the Assembly, as altered by the Board, and referred by the Assembly to a committee of the Assembly for review.

BILL 43

1977

An Act to revise The Audit Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "agency of the Crown" means an association, authority, board, commission, corporation, council, foundation, institution, organization or other body,
 - (i) whose accounts the Auditor is appointed to audit by its shareholders or by its board of management, board of directors or other governing body,
 - (ii) whose accounts are audited by the Auditor under any other Act or whose accounts the Auditor is appointed by the Lieutenant Governor in Council to audit,
 - (iii) whose accounts are audited by an auditor, other than the Auditor, appointed by the Lieutenant Governor in Council, or
 - (iv) the audit of the accounts of which the Auditor is required to direct or review or in respect of which the auditor's report and the working papers used in the preparation of the auditor's statement are required to be made available to the Auditor under any other Act,

but does not include one that is not affected by *The Crown Agency Act*;

R.S.O. 1970,
c. 100

- (b) "Assistant Auditor" means the Assistant Provincial Auditor;
- (c) "Auditor" means the Provincial Auditor;
- (d) "Board" means the Board of Internal Economy established under section 82 of *The Legislative Assembly Act*;

R.S.O. 1970,
c. 240

- (e) "Crown controlled corporation" means a corporation that is not an agency of the Crown and having 50 per cent or more of its issued and outstanding shares vested in Her Majesty in right of Ontario or having the appointment of a majority of its board of directors made or approved by the Lieutenant Governor in Council;
- 1972, c. 3 (f) "fiscal year" has the same meaning as in *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*;
- (g) "inspection audit" means an examination of accounting records;
- (h) "Office of the Auditor" means the Office of the Provincial Auditor;
- R.S.O. 1970, c. 166 (i) "public money" has the same meaning as in *The Financial Administration Act. New.*
- Office of the Auditor **2.** The Office of the Provincial Auditor shall consist of the Auditor, the Assistant Auditor and such employees as may be required from time to time for the proper conduct of the business of the Office. *New.*
- Provincial Auditor **3.** The Auditor shall be appointed as an officer of the Assembly by the Lieutenant Governor in Council on the address of the Assembly. R.S.O. 1970, c. 36, s. 1 (1), *amended.*
- Tenure of office and removal **4.** The Auditor may hold office until the end of the month in which he attains the age of sixty-five years and may be reappointed for a period not exceeding one year at a time until the end of the month in which he attains seventy years of age, but is removable at any time for cause by the Lieutenant Governor in Council on the address of the Assembly. R.S.O. 1970, c. 36, s. 2, *amended.*
- Salary of Auditor **5.—(1)** The Auditor shall be paid a salary within the highest range of salaries paid to deputy ministers in the Ontario civil service and is entitled to the privileges of office of a senior deputy minister.
- Idem (2) The salary of the Auditor, within the salary range referred to in subsection 1, shall be determined and reviewed annually by the Board.
- Idem (3) The salary of the Auditor shall be charged to and paid out of the Consolidated Revenue Fund and shall not

be reduced except on address of the Assembly. R.S.O. 1970, c. 36, s. 1 (2, 3), *amended*.

6.—(1) The Assistant Auditor shall be appointed as an ^{Assistant Auditor} officer of the Assembly by the Lieutenant Governor in Council upon the recommendation of the Auditor.

(2) The Assistant Auditor, under the direction of the ^{Idem} Auditor, shall assist in the exercise of the powers and the performance of the duties of the Auditor and, in the absence or inability to act of the Auditor, shall act in the place of the Auditor. R.S.O. 1970, c. 36, s. 3, *amended*.

7. The persons appointed as Auditor and Assistant Auditor ^{Qualifications} shall be persons who are licensed under *The Public Ac-* ^{R.S.O. 1970, c. 373} *countancy Act. New.*

8. The Provincial Auditor and the Assistant Provincial ^{Transitional} Auditor holding office under *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970, immediately before this Act comes into force shall be deemed to be appointed under this Act. *New.*

9.—(1) The Auditor shall audit, on behalf of the As- ^{Audit of Consolidated Revenue Fund} sembly and in such manner as the Auditor considers necessary, the accounts and records of the receipt and disbursement of public money forming part of the Consolidated Revenue Fund whether held in trust or otherwise. 1971, c. 54, s. 4, *amended*.

(2) Where the accounts and financial transactions of an ^{Audit of agencies of the Crown} agency of the Crown are not audited by another auditor, the Auditor shall perform the audit, and, notwithstanding any provision of any other Act, where the accounts and financial transactions of an agency of the Crown are audited by another auditor, the audit shall be performed under the direction of the Auditor and such other auditor shall report to the Auditor.

(3) Where the accounts of a Crown controlled corporation ^{Audit of Crown controlled corporations} are audited other than by the Auditor, the person or persons performing the audit,

- (a) shall deliver to the Auditor forthwith after completion of the audit a copy of their report of their findings and their recommendations to the management and a copy of the audited financial statements of the corporation;

- (b) shall make available forthwith to the Auditor, when so requested by the Auditor, all working papers, reports, schedules and other documents in respect of the audit or in respect of any other audit of the corporation specified in the request;
- (c) shall provide forthwith to the Auditor, when so requested by the Auditor, a full explanation of work performed, tests and examinations made and the results obtained, and any other information within the knowledge of such person or persons in respect of the corporation.

Additional
examination
and
investigation

(4) Where the Auditor is of the opinion that any information, explanation or document that is provided, made available or delivered to him by the auditor or auditors referred to in subsection 2 or 3 is insufficient, the Auditor may conduct or cause to be conducted such additional examination and investigation of the records and operations of the agency or corporation as the Auditor considers necessary. *New.*

Information
and access
to records

10. Every ministry of the public service and every agency of the Crown shall furnish the Auditor with such information regarding its powers, duties, activities, organization, financial transactions and methods of business as the Auditor from time to time requires, and the Auditor shall be given access to all books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the ministry or agency of the Crown and necessary to the performance of the duties of the Auditor under this Act. R.S.O. 1970, c. 36, s. 7, *amended.*

Accommoda-
tion in
ministries
and Crown
agencies

11. For the purposes of the exercise of his powers or the performance of his duties under this Act, the Auditor may station one or more members of the Office of the Auditor in any ministry of the public service and in any agency of the Crown and the ministry or agency shall provide such accommodation as is required for such purposes. R.S.O. 1970, c. 36, s. 10, *amended.*

Annual
report

12.—(1) The Auditor shall report annually to the Speaker of the Assembly after each fiscal year is closed and the Public Accounts are laid before the Assembly, but not later than the 31st day of December in each year unless the Public Accounts are not laid before the Assembly by that day, and may make a special report to the Speaker at any time on any matter that in the opinion of the Auditor should not be deferred until the annual report, and the Speaker shall lay each such report before the Assembly

forthwith if it is in session or, if not, not later than the tenth day of the next session.

(2) In his annual report in respect of each fiscal year, ^{Contents of report} the Auditor shall report on,

- (a) the work of the Office of the Auditor;
- (b) the examination of accounts of receipts and disbursements of public money;
- (c) the examination of the statements of Assets and Liabilities, the Consolidated Revenue Fund and Revenue and Expenditure as reported in the Public Accounts, and shall express an opinion as to whether the statements present fairly the financial position of the Province, the results of its operations and the changes in its financial position in accordance with the accounting principles stated in the Public Accounts applied on a basis consistent with that of the preceding fiscal year;
- (d) all special warrants issued to authorize payments, stating the date of each special warrant, the amount authorized and the amount expended;
- (e) all orders of the Management Board of Cabinet made to authorize payments in excess of appropriations, stating the date of each order, the amount authorized and the amount expended;
- (f) such matters as, in the opinion of the Auditor, should be brought to the attention of the Assembly including, without limiting the generality of the foregoing, any matter related to the audit of agencies of the Crown or Crown controlled corporations or any cases where the Auditor has observed that,
 - (i) accounts were not properly kept or public money was not fully accounted for,
 - (ii) essential records were not maintained or the rules and procedures applied were not sufficient to safeguard and control public property or to effectively check the assessment, collection and proper allocation of revenue or to ensure that expenditures were made only as authorized,

- (iii) money was expended other than for the purposes for which it was appropriated,
- (iv) money was expended without due regard to economy and efficiency, or
- (v) where procedures could be used to measure and report on the effectiveness of programs, the procedures were not established or, in the opinion of the Auditor, the established procedures were not satisfactory. R.S.O. 1970, c. 36, s. 20; 1971, c. 54, s. 5, *amended*.

Inspection
audit

13.—(1) The Auditor may perform an inspection audit in respect of a payment in the form of a grant from the Consolidated Revenue Fund or an agency of the Crown and may require a recipient of such a payment to prepare and to submit to the Auditor a financial statement that sets out the details of the disposition of the payment by the recipient.

Obstruction
of Auditor

(2) No person shall obstruct the Auditor or any member of the Office of the Auditor in the performance of an inspection audit or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the inspection audit.

Offence

(3) Every person who knowingly contravenes subsection 2 and every director or officer of a corporation who knowingly concurs in such contravention is guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

Idem,
corporation

(4) Where a corporation is convicted of an offence under subsection 3, the maximum penalty that may be imposed upon the corporation is \$25,000 and not as provided therein. *New.*

Examination
on oath

14. The Auditor may examine any person on oath on any matter pertinent to any account subject to audit by the Auditor or in respect of any inspection audit by the Auditor and for the purpose of such an examination the Auditor has the powers conferred upon a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the examination as if it were an inquiry under that Act. R.S.O. 1970, c. 36, s. 22, *amended*.

1971, c. 49

Proviso

15. Nothing in this Act shall be construed to require the Auditor,

- (a) to report on any matter that, in the opinion of the Auditor, is immaterial or insignificant; or
- (b) to audit or direct the audit of or report on the accounts of a body not referred to in this Act in the absence of such a requirement in any other Act in respect of the body. R.S.O. 1970, c. 36, s. 21, *amended*.

16. At the request of the standing Public Accounts Committee of the Assembly, the Auditor and any member of the Office of the Auditor designated by the Auditor shall attend at the meetings of the committee in order,

Attendance
at standing
Public
Accounts
Committee
of the
Assembly

- (a) to assist the committee in planning the agenda for review by the committee of the Public Accounts and the annual report of the Auditor; and
- (b) to assist the committee during its review of the Public Accounts and the annual report of the Auditor,

and the Auditor shall examine into and report on any matter referred to him in respect of the Public Accounts by a resolution of the committee. *New.*

17. The Auditor shall perform such special assignments as may be required by the Assembly, the standing Public Accounts Committee of the Assembly, by resolution of the committee, or by a minister of the Crown in right of Ontario but such special assignments shall not take precedence over the other duties of the Auditor under this Act and the Auditor may decline an assignment by a minister of the Crown that, in the opinion of the Auditor, might conflict with the other duties of the Auditor. *New.*

Special
assignments

18. The Auditor may advise appropriate persons employed in the public service of Ontario as to any matter that comes or that may come to the attention of the Auditor in the course of the exercise of his powers or the performance of his duties as Auditor. *New.*

Power to
advise

19. Audit working papers of the Office of the Auditor shall not be laid before the Assembly or any committee of the Assembly. *New.*

Audit
working
papers

20.—(1) Subject to the approval of the Board and to sections 22, 25 and 26, the Auditor may employ such professional staff and other persons as the Auditor considers necessary for the efficient operation of the Office of the

Staff

Auditor and may determine the salary of the Assistant Auditor and the salaries and remuneration, which shall be comparable to the salary ranges of similar positions or classifications in the public service of Ontario, and the terms and conditions of employment of the employees of the Office of the Auditor. R.S.O. 1970, c. 36, s. 4, *amended*.

Transition
of staff

(2) On the day this Act comes into force, the members of the public service of Ontario who are employed on the staff of the Auditor shall cease to be employed in the public service and each such person shall become an employee of the Office of the Auditor at a salary of not less than he was receiving on the day immediately before the day this Act comes into force. *New*.

Oath of
office and
secrecy and
oath of
allegiance

21.—(1) Every employee of the Office of the Auditor, before performing any duty as an employee of the Auditor, shall take and subscribe before the Auditor or a person designated in writing by the Auditor,

(a) the following oath of office and secrecy:

I,, do swear (*or solemnly affirm*) that I will faithfully discharge my duties as an employee of the Provincial Auditor and will observe and comply with the laws of Canada and Ontario and, except as I may be legally required, I will not disclose or give to any person any information or document that comes to my knowledge or possession by reason of my being an employee of the Office of the Auditor.

So help me God. (Omit this line in an affirmation)

(b) the following oath of allegiance:

I,, do swear (*or solemnly affirm*) that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second (*or the reigning sovereign for the time being*), her heirs and successors according to law.

So help me God. (Omit this line in an affirmation)

Idem

(2) The Auditor may require any person or class of persons appointed to assist the Auditor for a limited period of time or in respect of a particular matter to take and subscribe either or both of the oaths set out in subsection 1.

Record
of oaths

(3) A copy of each oath administered to an employee of the Office of the Auditor under subsection 1 shall be kept in the file of the employee in the Office of the Auditor.

Cause for
dismissal

(4) The failure of an employee of the Office of the Auditor to take and subscribe or to adhere to either of the oaths

required by subsection 1 may be considered as cause for dismissal. *New.*

22.—(1) The employee benefits applicable from time to time pursuant to *The Public Service Act* to civil servants who are not within a unit of employees established for collective bargaining under any Act apply or continue to apply, as the case may be, to the Auditor, the Assistant Auditor and to the full-time permanent and probationary employees of the Office of the Auditor and the Board or any person authorized by order of the Board may exercise the powers and duties of the Civil Service Commission and the Auditor or any person authorized in writing by the Auditor may exercise the powers and duties of a deputy minister pursuant to that Act in respect of such benefits. Benefits
R.S.O. 1970,
c. 386

(2) *The Public Service Superannuation Act* applies to the full-time permanent and probationary employees of the Office of the Auditor as though the Office of the Auditor were a commission designated by the Lieutenant Governor in Council under section 27 of that Act and to the Auditor and Assistant Auditor as though they were members of such a commission who held positions designated by and whose requests for such designations had been approved by the Lieutenant Governor in Council under section 27 of that Act and all credits in the Public Service Superannuation Fund of the full-time permanent and probationary employees of the Office of the Auditor and of the Auditor and the Assistant Auditor accumulated under that Act immediately before the coming into force of this Act are preserved and continued in accordance with that Act. *New.* Super-
annuation
benefits
R.S.O. 1970,
c. 387

23. Subject to the approval of the Board, the Auditor from time to time may appoint one or more persons having technical or special knowledge of any kind to assist the Auditor for a limited period of time or in respect of a particular matter and the moneys required for the purposes of this section shall be charged to and paid out of the Consolidated Revenue Fund. *New.* Expert
assistance

24. The Auditor may delegate in writing to any other member of the Office of the Auditor authority to exercise any power or perform any duty of the Auditor other than reporting to the Assembly. *R.S.O. 1970, c. 36, s. 6, amended.* Delegation
of authority

25.—(1) An employee of the Office of the Auditor shall not, Political
activities
of employees
of the Office
of the Auditor

- (a) be a candidate in a provincial or federal election or in an election for any municipal office including

R.S.O. 1970,
c. 118

a local board of a municipality within the meaning of *The Municipal Affairs Act*;

(b) solicit funds for a provincial, federal or municipal party or candidate; or

(c) associate his position in the Office of the Auditor with any political activity.

Cause for
dismissal

(2) Contravention of any of the provisions of subsection 1 may be considered as cause for dismissal. *New.*

Conduct
and
discipline

26.—(1) The Auditor may make orders and rules for the conduct of the internal business of the Office of the Auditor and, after a hearing, may suspend, demote or dismiss any employee of the Office of the Auditor for cause. R.S.O. 1970, c. 36, s. 5, *amended.*

Hearing
R.S.O. 1970,
c. 386

(2) The provisions of *The Public Service Act* and of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to suspension from employment pending an investigation and in relation to a hearing by a deputy minister or his delegate as to cause for dismissal, other than as to notice to the Civil Service Commission, apply with necessary modifications where the Auditor is of the opinion that there may exist cause for the suspension without pay, demotion or dismissal of an employee of the Office of the Auditor, and, for the purpose, the Auditor shall be deemed to be a deputy minister.

Appeals

(3) A decision of the Auditor to demote, suspend or dismiss an employee may be appealed by the employee, within fourteen days after the decision has been communicated to him, to the Public Service Grievance Board established pursuant to *The Public Service Act*.

Grievance
Board
authorized
to hear
appeals

(4) The Public Service Grievance Board may hear and dispose of an appeal under this section and the provisions of Part V of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to a grievance for dismissal apply with necessary modifications to an appeal under this section, and, for the purpose, the Auditor shall be deemed to be a deputy minister and the decision of the Public Service Grievance Board is final and the Public Service Grievance Board shall report its decision and reasons in writing to the Auditor and to the appellant. *New.*

Proceedings
privileged

27.—(1) No proceedings lie against the Auditor, the Assistant Auditor, any person employed in the Office of the Auditor or any person appointed to assist the Auditor

for a limited period of time or in respect of a particular matter, for anything he may do or report or say in the course of the exercise or the intended exercise of functions under this Act, unless it is shown that he acted in bad faith.

(2) The Auditor, the Assistant Auditor and each person employed in the Office of the Auditor or appointed to assist the Auditor for a limited period of time or in respect of a particular matter shall preserve secrecy with respect to all matters that come to his knowledge in the course of his employment or duties under this Act and shall not communicate any such matters to any person, except as may be required in connection with the administration of this Act or any proceedings under this Act or under the *Criminal Code* (Canada).

Information
confidential

R.S.C. 1970,
c. C-34

28. A person or persons, licensed under *The Public Accountancy Act* and appointed by the Board, shall examine the accounts relating to the disbursements of public money on behalf of the Office of the Auditor and shall report thereon to the Board and the chairman of the Board shall cause the report to be laid before the Assembly if it is in session or, if not, at the next ensuing session. 1971, c. 54, s. 6, *part, amended.*

Examination
of accounts
of Office of
the Auditor
R.S.O. 1970,
c. 373

29.—(1) The Auditor shall present annually to the Board estimates of the sums of money that will be required for the purposes of this Act.

Estimates

(2) The Board shall review and may alter as it considers proper the estimates presented by the Auditor, and the chairman of the Board shall cause the estimates as altered by the Board to be laid before the Assembly and the Assembly shall refer the estimates laid before it to a committee of the Assembly for review.

Idem

(3) The moneys required for the purposes of this Act, other than under sections 5 and 23, shall be paid out of the moneys appropriated therefor by the Legislature. *New.*

Idem

30. The following are repealed:

Repeals

1. *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970.
2. *The Audit Amendment Act, 1971*, being chapter 54.
3. Sections 7 and 8 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*.

1972, c. 3

1973, c. 33

4. Section 2 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Amendment Act, 1973*.

Commence-
ment

31. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

32. The short title of this Act is *The Audit Act, 1977*.

An Act to revise The Audit Act

1st Reading

July 6th, 1977

2nd Reading

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

(*Government Bill*)

BILL 43

Government Bill

1124A
XB
-RAC

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to revise The Audit Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

(Reprinted as amended by the Public Accounts Committee)

EXPLANATORY NOTE

The purpose of the Bill is to define the role and the responsibility of the Provincial Auditor. The Bill provides for the Auditor's status, scope of practice, reports and relationships to others.

The main provisions of the Bill are:

1. The Office of the Provincial Auditor is recognized, consisting of the Auditor, the Assistant Auditor and other staff.
2. The Auditor and Assistant Auditor are officers of the Assembly.
3. The Auditor is required to audit the accounts of the Consolidated Revenue Fund and to direct the performance of the audits of agencies of the Crown that are audited by auditors other than the Auditor. Such other auditors are required to report to the Auditor.
4. The auditors of Crown controlled corporations are required to deliver to the Auditor copies of their reports, their recommendations to management and copies of the audited financial statements of the agencies or corporations, as well as to provide full documentation and explanations to the Auditor in respect of their audits.
5. The Auditor is required to make an annual report to the Speaker of the Assembly who is to lay the report before the Assembly forthwith if it is in session or, if not, not later than the tenth day of the next session. The Auditor is also empowered to make special reports to the Speaker on matters that, in the opinion of the Auditor, should not be deferred until the annual report and these must also be laid before the Assembly forthwith by the Speaker.
6. In his annual report, the Auditor is required to report on the work of the Office of the Auditor, the examination of accounts of receipts and disbursements of public money, the statements of Assets and Liabilities, the Consolidated Revenue Fund and Revenue and Expenditure as reported in the Public Accounts, special warrants and Management Board orders authorizing payments in excess of appropriations, and such matters as, in the opinion of the Auditor, should be brought to the attention of the Assembly.
7. The Auditor is empowered to perform inspection audits in respect of payments of grants and may require a full accounting from the recipient of a grant. Obstruction of the Auditor or any member of the Office of the Auditor in the performance of an inspection audit is made an offence punishable on summary conviction.
8. When requested by the committee, the Auditor is required to attend at meetings of the standing Public Accounts Committee of the Assembly in order to assist the committee, and the Auditor is required to examine into and report on any matter referred to him by a resolution of the committee.

9. The Auditor is required to undertake special assignments required by the Assembly, by the standing Public Accounts Committee of the Assembly or by a minister of the Crown, but such assignments are not to take precedence over the Auditor's other work and the Auditor may decline an assignment from a minister if, in the opinion of the Auditor, the assignment might conflict with the other duties of the Auditor.
10. The Auditor is empowered to advise appropriate persons employed in the public service as to any matter that comes or that may come to the attention of the Auditor in the course of the exercise of his powers or the performance of his duties as Auditor.
11. Subject to the approval of the Board of Internal Economy, the Auditor is empowered to employ professional staff and other persons for the efficient operation of the Office of the Auditor, to determine the salary of the Assistant Auditor and the salaries and remuneration and terms and conditions of employment of the employees of the Office of the Auditor.
12. The employees of the Office of the Auditor are required to take oaths of office, secrecy and allegiance.
13. The Auditor, the Assistant Auditor and the full-time permanent and probationary employees of the Office of the Auditor are entitled to the same employee benefits under *The Public Service Act* as civil servants who are not within bargaining units and *The Public Service Superannuation Act* is made applicable to them.
14. Employees of the Office of the Auditor are prohibited from being candidates in federal, provincial or municipal elections, soliciting funds for any party or candidate, associating their position in the Office of the Auditor with any political activity.
15. Provision is made for an examination and report to the Board of Internal Economy and the Assembly as to the disbursements of the Office of the Auditor.
16. The estimates for the Office of the Auditor are to be prepared by the Auditor, reviewed by the Board of Internal Economy, laid before the Assembly, as altered by the Board, and referred by the Assembly to a committee of the Assembly for review.

BILL 43

1977

An Act to revise The Audit Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "agency of the Crown" means an association, authority, board, commission, corporation, council, foundation, institution, organization or other body,
 - (i) whose accounts the Auditor is appointed to audit by its shareholders or by its board of management, board of directors or other governing body,
 - (ii) whose accounts are audited by the Auditor under any other Act or whose accounts the Auditor is appointed by the Lieutenant Governor in Council to audit,
 - (iii) whose accounts are audited by an auditor, other than the Auditor, appointed by the Lieutenant Governor in Council, or
 - (iv) the audit of the accounts of which the Auditor is required to direct or review or in respect of which the auditor's report and the working papers used in the preparation of the auditor's statement are required to be made available to the Auditor under any other Act,

but does not include one that is not affected by *The Crown Agency Act*;

R.S.O. 1970,
c. 100

- (b) "Assistant Auditor" means the Assistant Provincial Auditor;
- (c) "Auditor" means the Provincial Auditor;
- (d) "Board" means the Board of Internal Economy established under section 82 of *The Legislative Assembly Act*;

R.S.O. 1970,
c. 240

(e) "Crown controlled corporation" means a corporation that is not an agency of the Crown and having 50 per cent or more of its issued and outstanding shares vested in Her Majesty in right of Ontario or having the appointment of a majority of its board of directors made or approved by the Lieutenant Governor in Council;

1972, c. 3

(f) "fiscal year" has the same meaning as in *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*;

(g) "inspection audit" means an examination of accounting records;

(h) "Office of the Auditor" means the Office of the Provincial Auditor;

R.S.O. 1970,
c. 166

(i) "public money" has the same meaning as in *The Financial Administration Act. New.*

Office
of the
Auditor

2. The Office of the Provincial Auditor shall consist of the Auditor, the Assistant Auditor and such employees as may be required from time to time for the proper conduct of the business of the Office. *New.*

Provincial
Auditor

3. The Auditor shall be appointed as an officer of the Assembly by the Lieutenant Governor in Council on the address of the Assembly after consultation with the chairman of the standing Public Accounts Committee of the Assembly.
R.S.O. 1970, c. 36, s. 1 (1), amended.

Tenure of
office and
removal

4. The Auditor may hold office until the end of the month in which he attains the age of sixty-five years and may be reappointed for a period not exceeding one year at a time until the end of the month in which he attains seventy years of age, but is removable at any time for cause by the Lieutenant Governor in Council on the address of the Assembly. *R.S.O. 1970, c. 36, s. 2, amended.*

Salary of
Auditor

5.—(1) The Auditor shall be paid a salary within the highest range of salaries paid to deputy ministers in the Ontario civil service and is entitled to the privileges of office of a senior deputy minister.

Idem

(2) The salary of the Auditor, within the salary range referred to in subsection 1, shall be determined and reviewed annually by the Board.

(3) The salary of the Auditor shall be charged to and paid out of the Consolidated Revenue Fund. R.S.O. 1970, c. 36, s. 1 (2, 3), *amended*. Idem

6.—(1) The Assistant Auditor shall be appointed as an officer of the Assembly by the Lieutenant Governor in Council upon the recommendation of the Auditor. Assistant Auditor

(2) The Assistant Auditor, under the direction of the Auditor, shall assist in the exercise of the powers and the performance of the duties of the Auditor and, in the absence or inability to act of the Auditor, shall act in the place of the Auditor. R.S.O. 1970, c. 36, s. 3, *amended*. Idem

7. The persons appointed as Auditor and Assistant Auditor shall be persons who are licensed under *The Public Accountancy Act*. *New*. Qualifications
R.S.O. 1970,
c. 373

8. The Provincial Auditor and the Assistant Provincial Auditor holding office under *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970, immediately before this Act comes into force shall be deemed to be appointed under this Act. *New*. Transitional

9.—(1) The Auditor shall audit, on behalf of the Assembly and in such manner as the Auditor considers necessary, the accounts and records of the receipt and disbursement of public money forming part of the Consolidated Revenue Fund whether held in trust or otherwise. 1971, c. 54, s. 4, *amended*. Audit of
Consolidated
Revenue
Fund

(2) Where the accounts and financial transactions of an agency of the Crown are not audited by another auditor, the Auditor shall perform the audit, and, notwithstanding any provision of any other Act, where the accounts and financial transactions of an agency of the Crown are audited by another auditor, the audit shall be performed under the direction of the Auditor and such other auditor shall report to the Auditor. Audit of
agencies
of the
Crown

(3) Where the accounts of a Crown controlled corporation are audited other than by the Auditor, the person or persons performing the audit, Audit of
Crown
controlled
corporations

(a) shall deliver to the Auditor forthwith after completion of the audit a copy of their report of their findings and their recommendations to the management and a copy of the audited financial statements of the corporation;

(b) shall make available forthwith to the Auditor, when so requested by the Auditor, all working papers, reports, schedules and other documents in respect of the audit or in respect of any other audit of the corporation specified in the request;

(c) shall provide forthwith to the Auditor, when so requested by the Auditor, a full explanation of work performed, tests and examinations made and the results obtained, and any other information within the knowledge of such person or persons in respect of the corporation.

Additional
examination
and
investigation

(4) Where the Auditor is of the opinion that any information, explanation or document that is provided, made available or delivered to him by the auditor or auditors referred to in subsection 2 or 3 is insufficient, the Auditor may conduct or cause to be conducted such additional examination and investigation of the records and operations of the agency or corporation as the Auditor considers necessary. *New.*

Information
and access
to records

10. Every ministry of the public service and every agency of the Crown shall furnish the Auditor with such information regarding its powers, duties, activities, organization, financial transactions and methods of business as the Auditor from time to time requires, and the Auditor shall be given access to all books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the ministry or agency of the Crown and necessary to the performance of the duties of the Auditor under this Act. R.S.O. 1970, c. 36, s. 7, *amended.*

Accommoda-
tion in
ministries
and Crown
agencies

11. For the purposes of the exercise of his powers or the performance of his duties under this Act, the Auditor may station one or more members of the Office of the Auditor in any ministry of the public service and in any agency of the Crown and the ministry or agency shall provide such accommodation as is required for such purposes. R.S.O. 1970, c. 36, s. 10, *amended.*

Annual
report

12.—(1) The Auditor shall report annually to the Speaker of the Assembly after each fiscal year is closed and the Public Accounts are laid before the Assembly, but not later than the 31st day of December in each year unless the Public Accounts are not laid before the Assembly by that day, and may make a special report to the Speaker at any time on any matter that in the opinion of the Auditor should not be deferred until the annual report, and the Speaker shall lay each such report before the Assembly

forthwith if it is in session or, if not, not later than the tenth day of the next session.

(2) In his annual report in respect of each fiscal year, the Auditor shall report on, Contents
of report

- (a) the work of the Office of the Auditor, and on whether in carrying on the work of the Office the Auditor received all the information and explanations required;
- (b) the examination of accounts of receipts and disbursements of public money;
- (c) the examination of the statements of Assets and Liabilities, the Consolidated Revenue Fund and Revenue and Expenditure as reported in the Public Accounts, and shall express an opinion as to whether the statements present fairly the financial position of the Province, the results of its operations and the changes in its financial position in accordance with the accounting principles stated in the Public Accounts applied on a basis consistent with that of the preceding fiscal year together with any reservations the Auditor may have;
- (d) all special warrants issued to authorize payments, stating the date of each special warrant, the amount authorized and the amount expended;
- (e) all orders of the Management Board of Cabinet made to authorize payments in excess of appropriations, stating the date of each order, the amount authorized and the amount expended;
- (f) such matters as, in the opinion of the Auditor, should be brought to the attention of the Assembly including, without limiting the generality of the foregoing, any matter related to the audit of agencies of the Crown or Crown controlled corporations or any cases where the Auditor has observed that,
 - (i) accounts were not properly kept or public money was not fully accounted for,
 - (ii) essential records were not maintained or the rules and procedures applied were not sufficient to safeguard and control public property or to effectively check the assessment, collection and proper allocation of

revenue or to ensure that expenditures were made only as authorized,

- (iii) money was expended other than for the purposes for which it was appropriated,
- (iv) money was expended without due regard to economy and efficiency, or
- (v) where procedures could be used to measure and report on the effectiveness of programs, the procedures were not established or, in the opinion of the Auditor, the established procedures were not satisfactory. R.S.O. 1970, c. 36, s. 20; 1971, c. 54, s. 5, *amended*.

Inspection
audit

13.—(1) The Auditor may perform an inspection audit in respect of a payment in the form of a grant from the Consolidated Revenue Fund or an agency of the Crown and may require a recipient of such a payment to prepare and to submit to the Auditor a financial statement that sets out the details of the disposition of the payment by the recipient.

Obstruction
of Auditor

(2) No person shall obstruct the Auditor or any member of the Office of the Auditor in the performance of an inspection audit or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the inspection audit.

Offence

(3) Every person who knowingly contravenes subsection 2 and every director or officer of a corporation who knowingly concurs in such contravention is guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

Idem.
corporation

(4) Where a corporation is convicted of an offence under subsection 3, the maximum penalty that may be imposed upon the corporation is \$25,000 and not as provided therein. *New.*

Examination
on oath

14. The Auditor may examine any person on oath on any matter pertinent to any account subject to audit by the Auditor or in respect of any inspection audit by the Auditor and for the purpose of such an examination the Auditor has the powers conferred upon a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the examination as if it were an inquiry under that Act. R.S.O. 1970, c. 36, s. 22, *amended*.

1971, c. 49

Proviso

15. Nothing in this Act shall be construed to require the Auditor,

- (a) to report on any matter that, in the opinion of the Auditor, is immaterial or insignificant; or
- (b) to audit or direct the audit of or report on the accounts of a body not referred to in this Act in the absence of such a requirement in any other Act in respect of the body. R.S.O. 1970, c. 36, s. 21, *amended*.

16. At the request of the standing Public Accounts Committee of the Assembly, the Auditor and any member of the Office of the Auditor designated by the Auditor shall attend at the meetings of the committee in order,

Attendance
at standing
Public
Accounts
Committee
of the
Assembly

- (a) to assist the committee in planning the agenda for review by the committee of the Public Accounts and the annual report of the Auditor; and
- (b) to assist the committee during its review of the Public Accounts and the annual report of the Auditor,

and the Auditor shall examine into and report on any matter referred to him in respect of the Public Accounts by a resolution of the committee. *New*.

17. The Auditor shall perform such special assignments as may be required by the Assembly, the standing Public Accounts Committee of the Assembly, by resolution of the committee, or by a minister of the Crown in right of Ontario but such special assignments shall not take precedence over the other duties of the Auditor under this Act and the Auditor may decline an assignment by a minister of the Crown that, in the opinion of the Auditor, might conflict with the other duties of the Auditor. *New*.

Special
assignments

18. The Auditor may advise appropriate persons employed in the public service of Ontario as to any matter that comes or that may come to the attention of the Auditor in the course of the exercise of his powers or the performance of his duties as Auditor. *New*.

Power to
advise

19. Audit working papers of the Office of the Auditor shall not be laid before the Assembly or any committee of the Assembly. *New*.

Audit
working
papers

20.—(1) Subject to the approval of the Board and to sections 22, 25 and 26, the Auditor may employ such professional staff and other persons as the Auditor considers necessary for the efficient operation of the Office of the

Staff

Auditor and may determine the salary of the Assistant Auditor and the salaries and remuneration, which shall be comparable to the salary ranges of similar positions or classifications in the public service of Ontario, and the terms and conditions of employment of the employees of the Office of the Auditor. R.S.O. 1970, c. 36, s. 4, *amended*.

Transition
of staff

(2) On the day this Act comes into force, the members of the public service of Ontario who are employed on the staff of the Auditor shall cease to be employed in the public service and each such person shall become an employee of the Office of the Auditor at a salary of not less than he was receiving on the day immediately before the day this Act comes into force. *New*.

Oath of
office and
secrecy and
oath of
allegiance

21.—(1) Every employee of the Office of the Auditor, before performing any duty as an employee of the Auditor, shall take and subscribe before the Auditor or a person designated in writing by the Auditor,

(a) the following oath of office and secrecy:

I,, do swear (*or* solemnly affirm) that I will faithfully discharge my duties as an employee of the Provincial Auditor and will observe and comply with the laws of Canada and Ontario and, except as I may be legally required, I will not disclose or give to any person any information or document that comes to my knowledge or possession by reason of my being an employee of the Office of the Auditor.

So help me God. (Omit this line in an affirmation)

(b) the following oath of allegiance:

I,, do swear (*or* solemnly affirm) that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second (*or the reigning sovereign for the time being*), her heirs and successors according to law.

So help me God. (Omit this line in an affirmation)

Idem

(2) The Auditor may require any person or class of persons appointed to assist the Auditor for a limited period of time or in respect of a particular matter to take and subscribe either or both of the oaths set out in subsection 1.

Record
of oaths

(3) A copy of each oath administered to an employee of the Office of the Auditor under subsection 1 shall be kept in the file of the employee in the Office of the Auditor.

Cause for
dismissal

(4) The failure of an employee of the Office of the Auditor to take and subscribe or to adhere to either of the oaths

required by subsection 1 may be considered as cause for dismissal. *New.*

22.—(1) The employee benefits applicable from time to time pursuant to *The Public Service Act* to civil servants who are not within a unit of employees established for collective bargaining under any Act apply or continue to apply, as the case may be, to the Auditor, the Assistant Auditor and to the full-time permanent and probationary employees of the Office of the Auditor and the Board or any person authorized by order of the Board may exercise the powers and duties of the Civil Service Commission and the Auditor or any person authorized in writing by the Auditor may exercise the powers and duties of a deputy minister pursuant to that Act in respect of such benefits.

Benefits

R.S.O. 1970,
c. 386

(2) *The Public Service Superannuation Act* applies to the full-time permanent and probationary employees of the Office of the Auditor as though the Office of the Auditor were a commission designated by the Lieutenant Governor in Council under section 27 of that Act and to the Auditor and Assistant Auditor as though they were members of such a commission who held positions designated by and whose requests for such designations had been approved by the Lieutenant Governor in Council under section 27 of that Act and all credits in the Public Service Superannuation Fund of the full-time permanent and probationary employees of the Office of the Auditor and of the Auditor and the Assistant Auditor accumulated under that Act immediately before the coming into force of this Act are preserved and continued in accordance with that Act. *New.*

Super-
annuation
benefits
R.S.O. 1970,
c. 387

23. Subject to the approval of the Board, the Auditor from time to time may appoint one or more persons having technical or special knowledge of any kind to assist the Auditor for a limited period of time or in respect of a particular matter and the moneys required for the purposes of this section shall be charged to and paid out of the Consolidated Revenue Fund. *New.*

Expert
assistance

24. The Auditor may delegate in writing to any other member of the Office of the Auditor authority to exercise any power or perform any duty of the Auditor other than reporting to the Assembly. R.S.O. 1970, c. 36, s. 6, *amended.*

Delegation
of authority

25.—(1) An employee of the Office of the Auditor shall not,

Political
activities
of employees
of the Office
of the Auditor

- (a) be a candidate in a provincial or federal election or in an election for any municipal office including

R.S.O. 1970,
c. 118

a local board of a municipality within the meaning of *The Municipal Affairs Act*;

- (b) solicit funds for a provincial, federal or municipal party or candidate; or
- (c) associate his position in the Office of the Auditor with any political activity.

Cause for
dismissal

(2) Contravention of any of the provisions of subsection 1 may be considered as cause for dismissal. *New.*

Conduct
and
discipline

26.—(1) The Auditor may make orders and rules for the conduct of the internal business of the Office of the Auditor and, after a hearing, may suspend, demote or dismiss any employee of the Office of the Auditor for cause. R.S.O. 1970, c. 36, s. 5, *amended.*

Hearing
R.S.O. 1970,
c. 386

(2) The provisions of *The Public Service Act* and of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to suspension from employment pending an investigation and in relation to a hearing by a deputy minister or his delegate as to cause for dismissal, other than as to notice to the Civil Service Commission, apply with necessary modifications where the Auditor is of the opinion that there may exist cause for the suspension without pay, demotion or dismissal of an employee of the Office of the Auditor, and, for the purpose, the Auditor shall be deemed to be a deputy minister.

Appeals

(3) A decision of the Auditor to demote, suspend or dismiss an employee may be appealed by the employee, within fourteen days after the decision has been communicated to him, to the Public Service Grievance Board established pursuant to *The Public Service Act*.

Grievance
Board
authorized
to hear
appeals

(4) The Public Service Grievance Board may hear and dispose of an appeal under this section and the provisions of Part V of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to a grievance for dismissal apply with necessary modifications to an appeal under this section, and, for the purpose, the Auditor shall be deemed to be a deputy minister and the decision of the Public Service Grievance Board is final and the Public Service Grievance Board shall report its decision and reasons in writing to the Auditor and to the appellant. *New.*

Proceedings
privileged

27.—(1) No proceedings lie against the Auditor, the Assistant Auditor, any person employed in the Office of the Auditor or any person appointed to assist the Auditor

for a limited period of time or in respect of a particular matter, for anything he may do or report or say in the course of the exercise or the intended exercise of functions under this Act, unless it is shown that he acted in bad faith.

(2) The Auditor, the Assistant Auditor and each person employed in the Office of the Auditor or appointed to assist the Auditor for a limited period of time or in respect of a particular matter shall preserve secrecy with respect to all matters that come to his knowledge in the course of his employment or duties under this Act and shall not communicate any such matters to any person, except as may be required in connection with the administration of this Act or any proceedings under this Act or under the *Criminal Code* (Canada). Information confidential
R.S.C. 1970,
c. C-34

28. A person or persons, not employed by the Crown or the Office of the Assembly, licensed under *The Public Accountancy Act* and appointed by the Board, shall examine the accounts relating to the disbursements of public money on behalf of the Office of the Auditor and shall report thereon to the Board and the chairman of the Board shall cause the report to be laid before the Assembly if it is in session or, if not, at the next ensuing session. 1971, c. 54, s. 6, *part, amended.* Examination
of accounts
of Office of
the Auditor
R.S.O. 1970,
c. 373

29.—(1) The Auditor shall present annually to the Board estimates of the sums of money that will be required for the purposes of this Act. Estimates

(2) The Board shall review and may alter as it considers proper the estimates presented by the Auditor, and the chairman of the Board shall cause the estimates as altered by the Board to be laid before the Assembly and the Assembly shall refer the estimates laid before it to a committee of the Assembly for review. Review
by Board

(3) Notice of meetings of the Board to review or alter the estimates presented by the Auditor shall be given to the chairman and the vice-chairman of the standing Public Accounts Committee of the Assembly and the chairman and the vice-chairman may attend at the review of the estimates by the Board. Notice

(4) The moneys required for the purposes of this Act, other than under sections 5 and 23, shall be paid out of the moneys appropriated therefor by the Legislature. *New.* Moneys

30. The following are repealed:

Repeals

1. *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970.
2. *The Audit Amendment Act, 1971*, being chapter 54.
- 1972, c. 3 3. Sections 7 and 8 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*.
- 1973, c. 33 4. Section 2 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Amendment Act, 1973*.
- Commence-
ment **31.** This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.
- Short title **32.** The short title of this Act is *The Audit Act, 1977*.

An Act to revise The Audit Act

1st Reading

July 6th, 1977

2nd Reading

October 25th, 1977

3rd Reading

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs

*(Reprinted as amended by the
Public Accounts Committee)*

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BILL 43

1ST SESSION, 31ST LEGISLATURE, ONTARIO
26 ELIZABETH II, 1977

An Act to revise The Audit Act

THE HON. W. D. McKEOUGH
Treasurer of Ontario and Minister of Economics and
Intergovernmental Affairs

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

BILL 43

1977

An Act to revise The Audit Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "agency of the Crown" means an association, authority, board, commission, corporation, council, foundation, institution, organization or other body,
 - (i) whose accounts the Auditor is appointed to audit by its shareholders or by its board of management, board of directors or other governing body,
 - (ii) whose accounts are audited by the Auditor under any other Act or whose accounts the Auditor is appointed by the Lieutenant Governor in Council to audit,
 - (iii) whose accounts are audited by an auditor, other than the Auditor, appointed by the Lieutenant Governor in Council, or
 - (iv) the audit of the accounts of which the Auditor is required to direct or review or in respect of which the auditor's report and the working papers used in the preparation of the auditor's statement are required to be made available to the Auditor under any other Act,

but does not include one that is not affected by *The Crown Agency Act*;

R.S.O. 1970,
c. 100

- (b) "Assistant Auditor" means the Assistant Provincial Auditor;
- (c) "Auditor" means the Provincial Auditor;
- (d) "Board" means the Board of Internal Economy established under section 82 of *The Legislative Assembly Act*;

R.S.O. 1970,
c. 240

(e) "Crown controlled corporation" means a corporation that is not an agency of the Crown and having 50 per cent or more of its issued and outstanding shares vested in Her Majesty in right of Ontario or having the appointment of a majority of its board of directors made or approved by the Lieutenant Governor in Council;

1972, c. 3

(f) "fiscal year" has the same meaning as in *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*;

(g) "inspection audit" means an examination of accounting records;

(h) "Office of the Auditor" means the Office of the Provincial Auditor;

R.S.O. 1970,
c. 166

(i) "public money" has the same meaning as in *The Financial Administration Act. New.*

Office
of the
Auditor

2. The Office of the Provincial Auditor shall consist of the Auditor, the Assistant Auditor and such employees as may be required from time to time for the proper conduct of the business of the Office. *New.*

Provincial
Auditor

3. The Auditor shall be appointed as an officer of the Assembly by the Lieutenant Governor in Council on the address of the Assembly after consultation with the chairman of the standing Public Accounts Committee of the Assembly. R.S.O. 1970, c. 36, s. 1 (1), *amended.*

Tenure of
office and
removal

4. The Auditor may hold office until the end of the month in which he attains the age of sixty-five years and may be reappointed for a period not exceeding one year at a time until the end of the month in which he attains seventy years of age, but is removable at any time for cause by the Lieutenant Governor in Council on the address of the Assembly. R.S.O. 1970, c. 36, s. 2, *amended.*

Salary of
Auditor

5.—(1) The Auditor shall be paid a salary within the highest range of salaries paid to deputy ministers in the Ontario civil service and is entitled to the privileges of office of a senior deputy minister.

Idem

(2) The salary of the Auditor, within the salary range referred to in subsection 1, shall be determined and reviewed annually by the Board.

(3) The salary of the Auditor shall be charged to and paid out of the Consolidated Revenue Fund. R.S.O. 1970, c. 36, s. 1 (2, 3), *amended*. Idem

6.—(1) The Assistant Auditor shall be appointed as an officer of the Assembly by the Lieutenant Governor in Council upon the recommendation of the Auditor. Assistant Auditor

(2) The Assistant Auditor, under the direction of the Auditor, shall assist in the exercise of the powers and the performance of the duties of the Auditor and, in the absence or inability to act of the Auditor, shall act in the place of the Auditor. R.S.O. 1970, c. 36, s. 3, *amended*. Idem

7. The persons appointed as Auditor and Assistant Auditor shall be persons who are licensed under *The Public Accountancy Act*. *New*. Qualifications
R.S.O. 1970,
c. 373

8. The Provincial Auditor and the Assistant Provincial Auditor holding office under *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970, immediately before this Act comes into force shall be deemed to be appointed under this Act. *New*. Transitional

9.—(1) The Auditor shall audit, on behalf of the Assembly and in such manner as the Auditor considers necessary, the accounts and records of the receipt and disbursement of public money forming part of the Consolidated Revenue Fund whether held in trust or otherwise. 1971, c. 54, s. 4, *amended*. Audit of
Consolidated
Revenue
Fund

(2) Where the accounts and financial transactions of an agency of the Crown are not audited by another auditor, the Auditor shall perform the audit, and, notwithstanding any provision of any other Act, where the accounts and financial transactions of an agency of the Crown are audited by another auditor, the audit shall be performed under the direction of the Auditor and such other auditor shall report to the Auditor. Audit of
agencies
of the
Crown

(3) Where the accounts of a Crown controlled corporation are audited other than by the Auditor, the person or persons performing the audit, Audit of
Crown
controlled
corporations

(a) shall deliver to the Auditor forthwith after completion of the audit a copy of their report of their findings and their recommendations to the management and a copy of the audited financial statements of the corporation;

- (b) shall make available forthwith to the Auditor, when so requested by the Auditor, all working papers, reports, schedules and other documents in respect of the audit or in respect of any other audit of the corporation specified in the request;
- (c) shall provide forthwith to the Auditor, when so requested by the Auditor, a full explanation of work performed, tests and examinations made and the results obtained, and any other information within the knowledge of such person or persons in respect of the corporation.

Additional
examination
and
investigation

(4) Where the Auditor is of the opinion that any information, explanation or document that is provided, made available or delivered to him by the auditor or auditors referred to in subsection 2 or 3 is insufficient, the Auditor may conduct or cause to be conducted such additional examination and investigation of the records and operations of the agency or corporation as the Auditor considers necessary. *New.*

Information
and access
to records

10. Every ministry of the public service, every agency of the Crown and every Crown controlled corporation shall furnish the Auditor with such information regarding its powers, duties, activities, organization, financial transactions and methods of business as the Auditor from time to time requires, and the Auditor shall be given access to all books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the ministry, agency of the Crown or Crown controlled corporation and necessary to the performance of the duties of the Auditor under this Act. R.S.O. 1970, c. 36, s. 7, *amended*.

Accommoda-
tion in
ministries
and Crown
agencies

11. For the purposes of the exercise of his powers or the performance of his duties under this Act, the Auditor may station one or more members of the Office of the Auditor in any ministry of the public service, in any agency of the Crown and in any Crown controlled corporation and the ministry, agency or corporation shall provide such accommodation as is required for such purposes. R.S.O. 1970, c. 36, s. 10, *amended*.

Annual
report

12.—(1) The Auditor shall report annually to the Speaker of the Assembly after each fiscal year is closed and the Public Accounts are laid before the Assembly, but not later than the 31st day of December in each year unless the Public Accounts are not laid before the Assembly by that day, and may make a special report to the Speaker at any time on any matter that in the opinion of the Auditor should not be deferred until the annual report, and the Speaker shall lay each such report before the Assembly

forthwith if it is in session or, if not, not later than the tenth day of the next session.

(2) In his annual report in respect of each fiscal year, ^{Contents of report} the Auditor shall report on,

- (a) the work of the Office of the Auditor, and on whether in carrying on the work of the Office the Auditor received all the information and explanations required;
- (b) the examination of accounts of receipts and disbursements of public money;
- (c) the examination of the statements of Assets and Liabilities, the Consolidated Revenue Fund and Revenue and Expenditure as reported in the Public Accounts, and shall express an opinion as to whether the statements present fairly the financial position of the Province, the results of its operations and the changes in its financial position in accordance with the accounting principles stated in the Public Accounts applied on a basis consistent with that of the preceding fiscal year together with any reservations the Auditor may have;
- (d) all special warrants issued to authorize payments, stating the date of each special warrant, the amount authorized and the amount expended;
- (e) all orders of the Management Board of Cabinet made to authorize payments in excess of appropriations, stating the date of each order, the amount authorized and the amount expended;
- (f) such matters as, in the opinion of the Auditor, should be brought to the attention of the Assembly including, without limiting the generality of the foregoing, any matter related to the audit of agencies of the Crown or Crown controlled corporations or any cases where the Auditor has observed that,
 - (i) accounts were not properly kept or public money was not fully accounted for,
 - (ii) essential records were not maintained or the rules and procedures applied were not sufficient to safeguard and control public property or to effectively check the assessment, collection and proper allocation of

revenue or to ensure that expenditures were made only as authorized,

- (iii) money was expended other than for the purposes for which it was appropriated,
- (iv) money was expended without due regard to economy and efficiency, or
- (v) where procedures could be used to measure and report on the effectiveness of programs, the procedures were not established or, in the opinion of the Auditor, the established procedures were not satisfactory. R.S.O. 1970, c. 36, s. 20; 1971, c. 54, s. 5, *amended*.

Inspection
audit

13.—(1) The Auditor may perform an inspection audit in respect of a payment in the form of a grant from the Consolidated Revenue Fund or an agency of the Crown and may require a recipient of such a payment to prepare and to submit to the Auditor a financial statement that sets out the details of the disposition of the payment by the recipient.

Obstruction
of Auditor

(2) No person shall obstruct the Auditor or any member of the Office of the Auditor in the performance of an inspection audit or conceal or destroy any books, papers, documents or things relevant to the subject-matter of the inspection audit.

Offence

(3) Every person who knowingly contravenes subsection 2 and every director or officer of a corporation who knowingly concurs in such contravention is guilty of an offence and on summary conviction is liable to a fine of not more than \$2,000 or to imprisonment for a term of not more than one year, or to both.

Idem.
corporation

(4) Where a corporation is convicted of an offence under subsection 3, the maximum penalty that may be imposed upon the corporation is \$25,000 and not as provided therein. *New.*

Examination
on oath

14. The Auditor may examine any person on oath on any matter pertinent to any account subject to audit by the Auditor or in respect of any inspection audit by the Auditor and for the purpose of such an examination the Auditor has the powers conferred upon a commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to the examination as if it were an inquiry under that Act. R.S.O. 1970, c. 36, s. 22, *amended*.

1971, c. 49

Proviso

15. Nothing in this Act shall be construed to require the Auditor,

- (a) to report on any matter that, in the opinion of the Auditor, is immaterial or insignificant; or
- (b) to audit or direct the audit of or report on the accounts of a body not referred to in this Act in the absence of such a requirement in any other Act in respect of the body. R.S.O. 1970, c. 36, s. 21, *amended*.

16. At the request of the standing Public Accounts Committee of the Assembly, the Auditor and any member of the Office of the Auditor designated by the Auditor shall attend at the meetings of the committee in order,

Attendance
at standing
Public
Accounts
Committee
of the
Assembly

- (a) to assist the committee in planning the agenda for review by the committee of the Public Accounts and the annual report of the Auditor; and
- (b) to assist the committee during its review of the Public Accounts and the annual report of the Auditor,

and the Auditor shall examine into and report on any matter referred to him in respect of the Public Accounts by a resolution of the committee. *New*.

17. The Auditor shall perform such special assignments as may be required by the Assembly, the standing Public Accounts Committee of the Assembly, by resolution of the committee, or by a minister of the Crown in right of Ontario but such special assignments shall not take precedence over the other duties of the Auditor under this Act and the Auditor may decline an assignment by a minister of the Crown that, in the opinion of the Auditor, might conflict with the other duties of the Auditor. *New*.

Special
assignments

18. The Auditor may advise appropriate persons employed in the public service of Ontario as to any matter that comes or that may come to the attention of the Auditor in the course of the exercise of his powers or the performance of his duties as Auditor. *New*.

Power to
advise

19. Audit working papers of the Office of the Auditor shall not be laid before the Assembly or any committee of the Assembly. *New*.

Audit
working
papers

20.—(1) Subject to the approval of the Board and to sections 22, 25 and 26, the Auditor may employ such professional staff and other persons as the Auditor considers necessary for the efficient operation of the Office of the

Staff

Auditor and may determine the salary of the Assistant Auditor and the salaries and remuneration, which shall be comparable to the salary ranges of similar positions or classifications in the public service of Ontario, and the terms and conditions of employment of the employees of the Office of the Auditor. R.S.O. 1970, c. 36, s. 4, *amended*.

Transition
of staff

(2) On the day this Act comes into force, the members of the public service of Ontario who are employed on the staff of the Auditor shall cease to be employed in the public service and each such person shall become an employee of the Office of the Auditor at a salary of not less than he was receiving on the day immediately before the day this Act comes into force. *New*.

Oath of
office and
secrecy and
oath of
allegiance

21.—(1) Every employee of the Office of the Auditor, before performing any duty as an employee of the Auditor, shall take and subscribe before the Auditor or a person designated in writing by the Auditor,

(a) the following oath of office and secrecy:

I,, do swear (*or solemnly affirm*) that I will faithfully discharge my duties as an employee of the Provincial Auditor and will observe and comply with the laws of Canada and Ontario and, except as I may be legally required, I will not disclose or give to any person any information or document that comes to my knowledge or possession by reason of my being an employee of the Office of the Auditor.

So help me God. (Omit this line in an affirmation)

(b) the following oath of allegiance:

I,, do swear (*or solemnly affirm*) that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second (*or the reigning sovereign for the time being*), her heirs and successors according to law.

So help me God. (Omit this line in an affirmation)

Idem

(2) The Auditor may require any person or class of persons appointed to assist the Auditor for a limited period of time or in respect of a particular matter to take and subscribe either or both of the oaths set out in subsection 1.

Record
of oaths

(3) A copy of each oath administered to an employee of the Office of the Auditor under subsection 1 shall be kept in the file of the employee in the Office of the Auditor.

Cause for
dismissal

(4) The failure of an employee of the Office of the Auditor to take and subscribe or to adhere to either of the oaths

required by subsection 1 may be considered as cause for dismissal. *New.*

22.—(1) The employee benefits applicable from time to time pursuant to *The Public Service Act* to civil servants who are not within a unit of employees established for collective bargaining under any Act apply or continue to apply, as the case may be, to the Auditor, the Assistant Auditor and to the full-time permanent and probationary employees of the Office of the Auditor and the Board or any person authorized by order of the Board may exercise the powers and duties of the Civil Service Commission and the Auditor or any person authorized in writing by the Auditor may exercise the powers and duties of a deputy minister pursuant to that Act in respect of such benefits.

Benefits
R.S.O. 1970,
c. 386

(2) *The Public Service Superannuation Act* applies to the full-time permanent and probationary employees of the Office of the Auditor as though the Office of the Auditor were a commission designated by the Lieutenant Governor in Council under section 27 of that Act and to the Auditor and Assistant Auditor as though they were members of such a commission who held positions designated by and whose requests for such designations had been approved by the Lieutenant Governor in Council under section 27 of that Act and all credits in the Public Service Superannuation Fund of the full-time permanent and probationary employees of the Office of the Auditor and of the Auditor and the Assistant Auditor accumulated under that Act immediately before the coming into force of this Act are preserved and continued in accordance with that Act. *New.*

Super-
annuation
benefits
R.S.O. 1970,
c. 387

23. Subject to the approval of the Board, the Auditor from time to time may appoint one or more persons having technical or special knowledge of any kind to assist the Auditor for a limited period of time or in respect of a particular matter and the moneys required for the purposes of this section shall be charged to and paid out of the Consolidated Revenue Fund. *New.*

Expert
assistance

24. The Auditor may delegate in writing to any other member of the Office of the Auditor authority to exercise any power or perform any duty of the Auditor other than reporting to the Assembly. R.S.O. 1970, c. 36, s. 6, *amended.*

Delegation
of authority

25.—(1) An employee of the Office of the Auditor shall not,

Political
activities
of employees
of the Office
of the Auditor

- (a) be a candidate in a provincial or federal election or in an election for any municipal office including

R.S.O. 1970,
c. 118

a local board of a municipality within the meaning of *The Municipal Affairs Act*;

(b) solicit funds for a provincial, federal or municipal party or candidate; or

(c) associate his position in the Office of the Auditor with any political activity.

Cause for
dismissal

(2) Contravention of any of the provisions of subsection 1 may be considered as cause for dismissal. *New.*

Conduct
and
discipline

26.—(1) The Auditor may make orders and rules for the conduct of the internal business of the Office of the Auditor and, after a hearing, may suspend, demote or dismiss any employee of the Office of the Auditor for cause. R.S.O. 1970, c. 36, s. 5, *amended.*

Hearing
R.S.O. 1970,
c. 386

(2) The provisions of *The Public Service Act* and of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to suspension from employment pending an investigation and in relation to a hearing by a deputy minister or his delegate as to cause for dismissal, other than as to notice to the Civil Service Commission, apply with necessary modifications where the Auditor is of the opinion that there may exist cause for the suspension without pay, demotion or dismissal of an employee of the Office of the Auditor, and, for the purpose, the Auditor shall be deemed to be a deputy minister.

Appeals

(3) A decision of the Auditor to demote, suspend or dismiss an employee may be appealed by the employee, within fourteen days after the decision has been communicated to him, to the Public Service Grievance Board established pursuant to *The Public Service Act*.

Grievance
Board
authorized
to hear
appeals

(4) The Public Service Grievance Board may hear and dispose of an appeal under this section and the provisions of Part V of Regulation 749 of Revised Regulations of Ontario, 1970 that apply in relation to a grievance for dismissal apply with necessary modifications to an appeal under this section, and, for the purpose, the Auditor shall be deemed to be a deputy minister and the decision of the Public Service Grievance Board is final and the Public Service Grievance Board shall report its decision and reasons in writing to the Auditor and to the appellant. *New.*

Proceedings
privileged

27.—(1) No proceedings lie against the Auditor, the Assistant Auditor, any person employed in the Office of the Auditor or any person appointed to assist the Auditor

for a limited period of time or in respect of a particular matter, for anything he may do or report or say in the course of the exercise or the intended exercise of functions under this Act, unless it is shown that he acted in bad faith.

(2) The Auditor, the Assistant Auditor and each person employed in the Office of the Auditor or appointed to assist the Auditor for a limited period of time or in respect of a particular matter shall preserve secrecy with respect to all matters that come to his knowledge in the course of his employment or duties under this Act and shall not communicate any such matters to any person, except as may be required in connection with the administration of this Act or any proceedings under this Act or under the *Criminal Code* (Canada). Information confidential
R.S.C. 1970.
c. C-34

28. A person or persons, not employed by the Crown or the Office of the Assembly, licensed under *The Public Accountancy Act* and appointed by the Board, shall examine the accounts relating to the disbursements of public money on behalf of the Office of the Auditor and shall report thereon to the Board and the chairman of the Board shall cause the report to be laid before the Assembly if it is in session or, if not, at the next ensuing session. 1971, c. 54, s. 6, *part, amended*. Examination of accounts of Office of the Auditor
R.S.O. 1970.
c. 373

29.—(1) The Auditor shall present annually to the Board estimates of the sums of money that will be required for the purposes of this Act. Estimates

(2) The Board shall review and may alter as it considers proper the estimates presented by the Auditor, and the chairman of the Board shall cause the estimates as altered by the Board to be laid before the Assembly and the Assembly shall refer the estimates laid before it to a committee of the Assembly for review. Review by Board

(3) Notice of meetings of the Board to review or alter the estimates presented by the Auditor shall be given to the chairman and the vice-chairman of the standing Public Accounts Committee of the Assembly and the chairman and the vice-chairman may attend at the review of the estimates by the Board. Notice

(4) The moneys required for the purposes of this Act, other than under sections 5 and 23, shall be paid out of the moneys appropriated therefor by the Legislature. *New*. Moneys

30. The following are repealed:

Repeals

1. *The Audit Act*, being chapter 36 of the Revised Statutes of Ontario, 1970.

2. *The Audit Amendment Act, 1971*, being chapter 54.

1972, c. 3

3. Sections 7 and 8 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Act, 1972*.

1973, c. 33

4. Section 2 of *The Ministry of Treasury, Economics and Intergovernmental Affairs Amendment Act, 1973*.

Commence-
ment

31. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

32. The short title of this Act is *The Audit Act, 1977*.

An Act to revise The Audit Act

1st Reading

July 6th, 1977

2nd Reading

October 25th, 1977

3rd Reading

December 12th, 1977

THE HON. W. D. McKEOUGH
Treasurer of Ontario and
Minister of Economics and
Intergovernmental Affairs



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